Washington LABOR MARKET

JOB SERVICE

Washington State
Employment Security
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In cooperation with the
Employment and Training
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Highlights

Summer Of Our Discontent

As if anyone needed to be told, the economy, both nationally and regionally, showed little fanfare through the summer of 1991. Area weather finally turned positive late in the season and stayed awhile into early fall. That was good news for such outdoor activities as agriculture, construction, and portions of recreation and tourism. But the underlying tone of the economy progressively weakened. Seasonally adjusted payrolls dropped in August for the sixth consecutive month, and unemployment tracked higher than a year ago by a spread which has basically been in force since January.

Those industries which normally expand at this time of year proceeded to mount. Resource-based manufacturing,

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construction, services, and trade all added significant numbers of workers in August. However, in each case the amount of job growth was less than experienced in recent past years. Bear in mind that any current measurements are being compared against very high growth trends in 1988-90. And the shortfall in most industries is only relative to cumulative record employment levels attained in 1990.

The Forecast Council has termed the present rout a recession. Whether or not this is true there is no escaping the fact that real growth of the economy has waned. The state entered the year with a 77,000 worker year-over-year margin which had deteriorated to 8,100 by August and headed lower. Even with a fairly typical seasonal uplift in the fourth quarter, there is good chance that the state could enter 1992 with employment below the prior year for the first time since the pullout from recession in 1983.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate dropped sharply by half a percentage point in August from 5.9 percent to 5.4 percent of the civilian workforce. The pattern over the month was typical owing to summertime heightening in both the resource-based and non-resource based portions of the economy. However, the magnitude of the shift in joblessness was more than expected. And, as a result, the seasonally adjusted jobless rate for the state dropped from 6.0 percent in July to 5.7 percent - the lowest of any month for the year to date.

On the other hand, there is little likelihood this trend will continue. Late release of workers in local education early in the month probably resulted in some abnormalities in calculating the labor force and total employment statistics. But even more pointed is the fact that the overall job growth has slowed and unemployment has consistently tracked higher than a year ago ever since the beginning of the year. The latest month contrasts sharply with a low of 4.2 percent in August 1990.

Nonetheless, the state still enjoyed a favorable margin over the national average. Joblessness nationwide measured a much higher 6.5 percent in August - greater than one full percentage point higher than the state. In general, this pattern has prevailed for the better part of 18 months. Continued lower than national tracking is unusual. Only in the late-1960s at the very pinnacle of the "Boeing Boom" did the state dip briefly below the nation as a whole in terms of statewide joblessness. The high degree of seasonality inherent in Washington's economy has tended to give the state a distinct disadvantage in this regard. But differences in timing with respect to the turning point of the business cycle has been the major player this time around.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Aug 1991 *Preliminary*	Jul 1991 *Revised*	Aug 1990
Resident Civilian Labor Force	2,479,800	2,536,100	2,515,200
Employment	2,346,600	2,385,500	2,409,200
Unemployment	133,200	150,600	106,000
Unemployment Rate	5.4%	5.9%	4.2%
National Unemployment Rate	6.5%	6.7%	5.4%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Washington's nonfarm wage and salary employment increased by 2,500 workers in August. The net gain was lighter than average owing not only to a generally slowed economy but offsetting loss coming from later than usual cutbacks in local education. Extended opening of Seattle area schools into July because of teachers strikes and inclement weather earlier in the season contributed heavily to an atypical 10,100 drop in education in August. Private payrolls actually heightened by 10,900 - roughly equivalent to 1990.

Seasonal pickup occurred throughout most sectors of the economy. Construction mounted by 1,400 workers spread fairly evenly between general building (+600) and special trade contractors (+800). Highways and public works payrolls were flat. Gains over the past several years averaged better than 3,000 for the month. But housing and office space in the greater Seattle area has now become a glut on the market. New housing starts were off 30 percent through the first eight months.

Frenzy Feeding In The Sun

The month of August typically marks the peak of Washington's tourist season. No Goodwill Games stole the limelight this year nor major conventions of national note. However, services and trade both mounted significantly by 2,700 and 2,200 workers, respectively.

As expected, payrolls increased over the month at hotels and lodging facilities (+500) and eating and drinking establishments (+700). On the other hand, no gain took place in either air or water transportation services. Passenger traffic at Seattle-Tacoma International Airport showed a slight dip from a year ago through August, with a 2.6 percent *increase* in domestic traffic offset by a 20 percent *falloff* in international counts. The nation's airlines generally are hurting in 1991 as the recession and the prospect of a maturing airline traffic growth curve takes an increasing toll of the bottom line.

Stowing It Away For School

The boost in retailing largely reflected back-to-school shopping. Department store payrolls advanced by 800 and specialty apparel and accessory shops added 400 in August. This is a typical buildup for fall which precedes the major holiday swell for the Christmas buying season late in the fourth quarter. Meanwhile, a drawdown of 600 occurred at area food stores.

Retailing in general is being affected by a combination of factors - none of them good. Consumer confidence swelled briefly with an end to the Mideast crisis but then dropped back quickly as the economy continued to stumble. Reports of massive layoffs and major industry restructuring elsewhere in the nation have made the consumer skittish. Large overhanging debt, both personal and corporate, was yet another factor coming into the period. Recent payback has been nothing short of spectacular. And finally, discretionary income all along the line has been inordinately pinched in 1991 by the runup in income taxes, property taxes, and utility bills at rates well in excess of the corresponding hike in wage and salary payments.

Manufacturing Toes The Line

Manufacturing added 3,900 workers in August. Most of the gain resulted from purely seasonal increases in food processing (+3,700). On balance, the basic goods-producing sector was flat. Lumber and wood products dropped by 100, as did primary metals, industrial machinery, and instruments and related products. The offset came from a 400-worker increase in aircraft and parts.

Payrolls in Washington's aircraft industry have jumped 1,100 since the first of the year rather than pulling back as was expected coming into 1991. The current level of 117,200 measures 1,800 higher than August 1990 and just 1,500 below the all-time high posted in January 1990. But Boeing has technically frozen employment for the fourth quarter, which means stability at best.

It is expected that the U.S. Fish and Wildlife Service recovery plan for the northern spotted owl will be approved finally sometime in December. This will be followed by the Forest Service environmental impact statement designed to implement the plan. As it stands, the proposed closure of federal forests to timber harvesting in the state of Washington could go as high as 70 to 90 percent, depending on specific location. And the impact of these restrictions plus the export ban on logs from state-owned lands translates into a potential loss to the state of between 7,600 to 9,300 lumber and wood products jobs.

Timber supplies in 1991 have proven to be relatively unencumbered despite court action and high levels of uncertainty. Substantial carryover of set-aside from the Adams-Hatfield accord still existed and private timberowners jumped into the fray for fear of either losing their investment outright or getting less return at some point in the future. Further, the national recession arbitrarily pulled down demand for building materials including lumber, and the economies of the major export nations weakened. The result has been an over-the-year employment loss to date of less than 3,000.

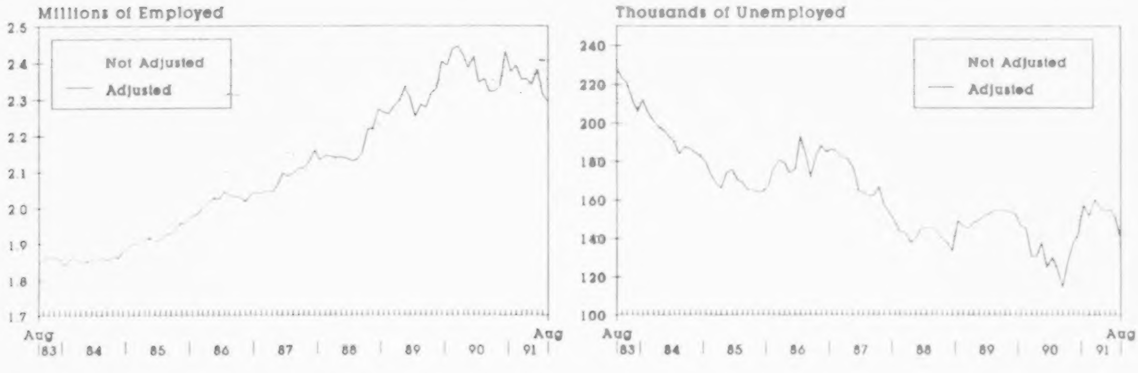
Annual Spread Positive But Narrowing

Washington's nonfarm wage and salary employment registered 8,100 workers greater than a year ago in August. The annual margin has progressively narrowed ever since the first of the year when the spread registered better than 76,000. And an increasing number of industries have scaled back.

Manufacturing has basically maintained a 5,100-worker shortfall (give or take a few hundred) since December of last year. Fully half of the reduction has centered in lumber and wood products (-2,800) with the rest spread rather widely throughout the goods-producing sector. Single plant closures in both primary metals (-900) and instruments and allied products (-700) pulled employment down accordingly. Transportation equipment other than aerospace (-1,800) joined forest products as an industry affected by the lengthening national recession. But some offset has come from year-to-year gains in electronics (+500), aircraft and parts (+1,800), and chemicals and allied products (+500).

First construction (-6,000) and then wholesale and retail trade (-6,600) joined manufacturing this year in pulling employment below last year's highs. The falloff to date has been relatively modest but does signal a slowing in the economy. Initially, only housing and department stores were affected. Now, virtually all sectors have succumbed. Some of the larger contributors have been residential and nonresidential building (-4,200), retail apparel and accessories (-1,600), automotive dealers and service stations (-1,300), and eating and drinking establishments (-1,400).

Offset is coming from continued strength in services (+15,700) and government (+9,200). These sectors typically are less prone to cyclical change than other portions of the economy. Health services (+8,000) and state and local education (+5,800) respond more to demographics than economic forces. And every indication hints that statewide population is continuing to grow rapidly. The fact that Washington in relative terms is doing better than many other areas of the country despite the slowdown remains a major draw.



Washington State Total Resident Employment and Unemployment
August 1983 - August 1991

Source: Employment Security Department

AREA TRENDS

A Falling Tide Lowers All Boats

Unemployment dropped in all major areas of the state in August as the zenith of summer passed overhead. The metropolitan areas pulled back from 5.6 percent to 5.0 percent jobless on average with a range extending from 4.2 percent in the Seattle PMSA to 9.9 percent in Yakima. Spokane and Tacoma were positioned close to the midpoint at 5.3 percent and 5.5 percent, respectively. No area showed anything other than normal seasonal pattern, and all areas registered higher than a year ago by an average of a full percentage point.

The resource-based economies showed something less uniform. Both the timber-dependent areas of western Washington and the farm dominated portions of eastern Washington lowered unemployment in August. The former dropped from 8.2 percent to 7.7 percent and the latter from 7.6 percent to 7.3 percent on average over the month. But the range was much more stark from an abnormally low 1.0 percent in Garfield County to a recurring high of 16.7 percent in Skamania County. In addition, those economies with substantial orchardist activity, specifically the Wenatchee, Yakima, and Okanogan areas, bucked the trend with unemployment temporarily moving up between the tree thinning and harvest phases.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Aug 1991	Jul 1991	Aug 1990
Washington State Total	5.4%	5.9%	4.2%
Metropolitan Areas	5.0%	5.6%	3.9%
Log & Lumber Areas	7.7%	8.2%	6.4%
All Western WA Areas	4.8%	5.4%	3.7%
All Eastern WA Areas	7.3%	7.6%	5.9%

Source: Employment Security Department

INDUSTRY NOTES

Boeing's Binge Is Behind

Third quarter earnings of the Boeing Company set an all-time high but the order backlog eased off. Companywide earnings were up 6 percent over the year to $401 million, or $1.17 a share, on sales of $7.66 billion. But the order backlog dropped for the first time in years by $1.3 billion to $95.9 billion. Sales of Boeing aircraft soared as airlines scrambled to add new equipment. High fuel costs and fading traffic flows this year, however, have thrown the airlines into turmoil. As a result, Boeing announced that it would trim production of its 737 jetliner next year from 21 to 17 planes a month but boost the 757. Boeing currently employs 12,800 workers at its 737 and 757 plants in Renton.

Defense and Space Get Trimmed

In an accompanying move, Boeing announced it will trim 2,500 jobs from its Defense and Space Group in the wake of recent defense cuts. Specifically, three Boeing defense projects were shelved by the Administration: a rail garrison for MX missiles, a mobile launcher for the Midgetman missile, and the SRAM II short-range attack missile. In addition, approximately 700 workers will be laid off from the controversial B-2 stealth bomber project over the next year as that program moves from development into limited production.

Consolidated Banking

First Interstate Bank of Washington is moving to consolidate operations with the Portland-based regional office. The move is a cost measure by First Interstate Bancorp of Los Angeles, the parent company, to merge its 13 separate banks into 4 regions and thereby trim 10 percent of its workforce or 3,500 employees. Approximately 300 will be affected in Washington state.

As BankAmerica readies itself for the proposed mega-merger with Security Pacific Bank, it is putting 36 branches in Washington state up for sale. Combined deposits measure $1.4 billion, but the accompanying loans will not be transferred. Seafirst (existing subsidiary of BankAmerica) and Security Pacific Bank hold an overwhelming share of deposits in many locations. The merger requires approval of stockholders and federal regulators.

Housing Prices Swing With The Times

Average selling prices of homes in King County increased for the months of July-to-September to $180,400 from $173,000 a year before, according to the Seattle Real Estate Research Committee. Further, average home prices in suburban King County inched above those in metropolitan Seattle for the first time: $180,900 compared to $179,200. Meanwhile, Snohomish County witnessed a $2,400 loss in average home prices over the year to $150,800 in the latest three months. Apartment vacancies in the two-county area inched higher by one-and-a-half percent to 5.6 percent and the average rent increased 4.6 percent to $547 a month.

NATIONAL INDICATORS

GNP Moves To A Plus

Third quarter Gross National Product posted a 2.4 percent annual rate of growth after three quarters of decline. The advance was looked upon as a clear sign that the recession has finally ended. Higher consumer spending and a decrease in business inventory liquidation accounted for much of the boost. But in addition, housing construction and plant and equipment investment showed solid gains.

Further good news was a drop in the implicit price deflator to 1.8 percent from 4.5 percent in the prior quarter. Some offset, however, came from a widening trade deficit.

Consumers Still Leery

While the growth in GNP was encouraging, the economy very likely was advancing stronger at the beginning of the quarter than at the end. Personal income nationally rose 0.5 percent in August but consumer spending edged up only 0.1 percent. Americans saved most of the extra cash, boosting the overall savings rate from 3.6 percent in July to 3.9 percent in the following month. Adjusting for inflation, real personal consumption was off 0.2 percent in August after rising 0.6 percent in July.

Consumer confidence is the key. And the Conference Board's latest survey showed a drop in consumer expectations for future improvement of the economy despite a somewhat more favorable view of current conditions. The business research group's index registered 76.3 percent in August, down from 77.7 percent in July based on a benchmark of 100 set in 1985.

Sluggish Performance Holds Prices in Check

At the same time, retail prices rose only slightly in August. The Labor Department's Consumer Price Index posted a fractional 0.2 percent rise in the latest month as both food and energy costs continued to drop. Excluding the volatile food and energy components, the so-called "core rate" of inflation rose 0.4 percent - the same as recorded in the previous two months. On an annual basis, the nation's inflation rate is hovering around 2.7 percent, far below last year's 6.1 percent increase and certainly no longer a threat to the nation's economy.

Looks Like A Bumpy Road

The government's main economic forecasting index was flat in August after six months of straight increases dating back to the end of the Persian Gulf War. The latest reading confirmed reports of a lackluster recovery. The indicators had posted an average 0.8 percent increase each month since February, including a sharp 1.2 percent jump in July.

Most analysts believe that the recession did in fact end in the April-June quarter but that recovery from here on out will be uneven and slow.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Aug 91	Jul 91	Aug 90	Jul 91	Aug 90
	136.6	136.2	131.6	0.3%	3.8%
Seattle†	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1990	Jul-Dec 1990	Jan-Jun 1990
	133.0	129.4	124.2	2.8%	7.1%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Aug 1991 (Prel)	Jul 1991 (Rev)	Aug 1990 (Rev)	Jul 1990 (Rev)	Numeric Change Jul 1991 to Aug 1991	Numeric Change Aug 1990 to Aug 1991
Total Nonagricultural Wage & Salary	2,182.9	2,180.4	2,174.8	2,164.7	2.5	8.1
Manufacturing	370.3	366.4	375.4	371.8	3.9	-5.1
Durable Goods	257.8	257.5	262.5	262.9	0.3	-4.7
Lumber & Wood Products	38.8	38.9	41.6	41.8	-0.1	-2.8
Logging	9.5	9.5	10.4	10.3	0.0	-0.9
Sawmills & Plywood	25.4	25.4	27.3	27.5	0.0	-1.9
Furniture & Fixtures	4.1	4.1	4.3	4.2	0.0	-0.2
Stone, Clay, & Glass	7.9	7.9	8.0	8.1	0.0	-0.1
Primary Metals	12.3	12.4	13.2	13.3	-0.1	-0.9
Aluminum	8.7	8.8	9.0	9.0	-0.1	-0.3
Fabricated Metals	12.9	12.8	12.7	12.6	0.1	0.2
Industrial Machinery & Equipment	19.9	20.0	20.7	20.6	-0.1	-0.8
Computer & Office Equipment	6.6	6.6	6.5	6.4	0.0	0.1
Electronic & Other Electrical Equipment	12.0	11.9	11.5	11.5	0.1	0.5
Transportation Equipment	129.8	129.3	129.8	129.9	0.5	0.0
Aircraft & Parts	117.2	116.8	115.4	115.4	0.4	1.8
Instruments & Related	13.7	13.8	14.4	14.7	-0.1	-0.7
Miscellaneous Manufacturing	6.4	6.4	6.3	6.2	0.0	0.1
Nondurable Goods	112.5	108.9	112.9	108.9	3.6	-0.4
Food & Kindred Products	40.3	36.6	40.6	36.6	3.7	-0.3
Preserved Fruits & Vegetables	15.0	11.4	15.3	11.6	3.6	-0.3
Textiles, Apparel, & Leather	8.0	8.1	8.4	8.3	-0.1	-0.4
Paper & Allied Products	18.3	18.3	18.7	18.7	0.0	-0.4
Printing & Publishing	22.8	22.8	22.6	22.7	0.0	0.2
Chemicals & Allied Products	13.9	13.9	13.4	13.5	0.0	0.5
Petroleum, Coal, Plastics	9.2	9.2	9.2	9.1	0.0	0.0
Mining & Quarrying	3.8	3.8	4.0	3.9	0.0	-0.2
Construction	123.9	122.5	129.9	126.9	1.4	-6.0
General Building Contractors	35.0	34.4	39.2	38.4	0.6	-4.2
Heavy Construction, ex Buildings	18.2	18.2	18.8	18.2	0.0	-0.6
Special Trade Contractors	70.8	70.0	71.9	70.3	0.8	-1.1
Transportation, Communications, & Utilities	117.1	116.7	115.8	114.5	0.4	1.3
Transportation	81.9	81.2	80.5	80.1	0.7	1.4
Trucking and Warehousing	34.0	33.3	32.2	31.9	0.7	1.8
Water Transportation	10.0	10.1	9.8	10.1	-0.1	0.2
Transportation by Air	16.0	16.0	16.3	16.3	0.0	-0.3
Communications	25.0	25.2	25.4	24.6	-0.2	-0.4
Electric, Gas & Sanitary Services	10.2	10.3	9.9	9.8	-0.1	0.3
Wholesale & Retail Trade	525.2	523.0	531.8	528.9	2.2	-6.6
Wholesale Trade	129.5	129.1	131.3	130.5[2]	0.4	-1.8
Retail Trade	395.7	393.9	400.5	398.4	1.8	-4.8
General Merchandise	37.5	36.7	38.5	38.4	0.8	-1.0
Food Stores	65.3	65.9	65.1	65.1	-0.6	0.2
Eating & Drinking	148.0	147.3	149.4	147.6	0.7	-1.4
Finance, Insurance, & Real Estate	119.1	118.8	119.3	118.6	0.3	-0.2
Finance	51.0	50.8	51.9	51.7	0.2	-0.9
Services	536.8	534.1	521.1	516.8	2.7	15.7
Hotels & Lodging	27.9	27.4	27.9	27.3	0.5	0.0
Personal Services	21.5	21.4	21.2	21.1	0.1	0.3
Business Services	91.3	90.0	89.5	88.3	1.3	1.8
Health Services	158.6	157.9	150.6	149.8	0.7	8.0
Educational Services	19.3	19.5	18.1	18.1	-0.2	1.2
Social Services	36.3	36.1	34.6	34.3	0.2	1.7
Engineering & Management Services	48.2	48.2	46.8	46.5	0.0	1.4
Government	386.7	395.1	377.5	383.3	-8.4	9.2
Federal	74.7	74.7	73.9	76.1	0.0	0.8
State	106.9	105.1	102.9	103.2	1.8	4.0
State Education	46.6	46.5	45.2	45.1	0.1	1.4
Local	205.1	215.3	200.7	204.0	-10.2	4.4
Local Education	96.6	106.7	92.2	97.1	-10.1	4.4
Labor-Management Disputes	0.0	0.0	0.0	0.8	0.0	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

Resident Labor Force and Employment in Washington State and Labor Market Areas

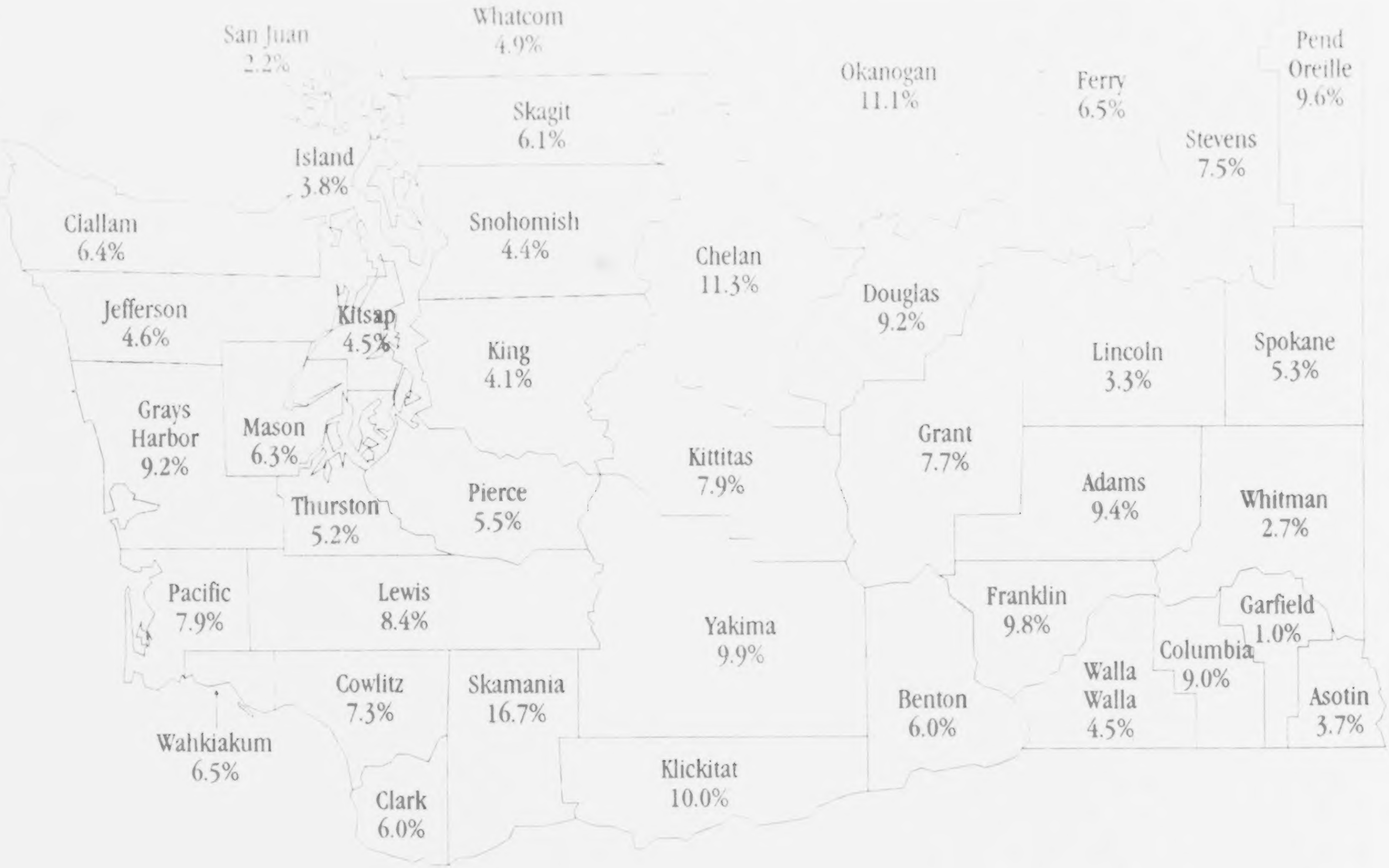
Date: 10/2/91
Benchmark: 1990

	August 1991 Preliminary†				July 1991 Revised†				August 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,479,800	2,346,600	133,200	5.4	2,536,100	2,385,500	150,600	5.9	2,515,200	2,409,200	106,000	4.2
Bellingham MSA	67,900	64,600	3,300	4.9	70,100	66,200	3,900	5.6	69,000	66,400	2,600	3.8
Bremerton MSA	82,600	78,900	3,700	4.5	85,200	80,700	4,500	5.3	82,100	78,800	3,300	4.0
Olympia MSA	82,300	78,000	4,300	5.2	84,100	79,400	4,700	5.6	83,700	80,200	3,500	4.2
Seattle PMSA	1,112,800	1,066,100	46,700	4.2	1,131,900	1,078,200	53,700	4.7	1,125,600	1,090,200	35,400	3.1
King County‡	878,500	842,300	36,200	4.1	893,200	851,900	41,300	4.6	888,700	861,400	27,300	3.1
Snohomish County‡	234,200	223,800	10,400	4.4	238,700	226,300	12,400	5.2	237,000	228,900	8,100	3.4
Spokane MSA	168,000	159,100	8,900	5.3	170,200	160,400	9,800	5.8	167,100	159,800	7,300	4.4
Tacoma PMSA	241,900	228,700	13,200	5.5	247,900	232,300	15,600	6.3	254,000	243,300	10,700	4.2
Tri-Cities MSA	77,000	71,700	5,300	6.9	77,700	70,600	7,100	9.1	76,400	71,600	4,800	6.3
Benton County‡	59,700	56,100	3,600	6.0	59,700	55,300	4,400	7.4	59,200	56,100	3,100	5.2
Franklin County‡	17,300	15,600	1,700	9.8	18,000	15,300	2,700	15.0	17,300	15,600	1,700	9.8
Vancouver PMSA	127,600	120,000	7,600	6.0	130,000	121,500	8,500	6.5	129,200	123,700	5,500	4.3
Yakima MSA	105,200	94,800	10,400	9.9	108,300	98,100	10,200	9.4	107,400	99,000	8,400	7.8
Adams	8,540	7,740	800	9.4	8,740	7,510	1,230	14.1	7,700	7,200	500	6.5
Asotin	9,530	9,180	350	3.7	9,710	9,330	380	3.9	9,140	8,850	290	3.2
Clallam	23,540	22,030	1,510	6.4	24,320	22,530	1,790	7.4	24,440	23,070	1,370	5.6
Columbia	1,220	1,110	110	9.0	1,330	1,180	150	11.3	1,280	1,170	110	8.6
Cowlitz	37,640	34,880	2,760	7.3	39,810	36,780	3,030	7.6	38,780	36,470	2,310	6.0
Ferry	3,090	2,890	200	6.5	3,210	2,950	260	8.1	3,310	3,110	200	6.0
Garfield	1,000	990	10	1.0	1,050	1,020	30	2.9	1,020	1,000	20	2.0
Grant	29,020	26,790	2,230	7.7	30,000	26,940	3,060	10.2	28,030	26,350	1,680	6.0
Grays Harbor	25,280	22,950	2,330	9.2	26,030	23,480	2,550	9.8	26,310	24,430	1,880	7.1
Island	22,240	21,390	850	3.8	22,440	21,470	970	4.3	22,180	21,500	680	3.1
Jefferson	8,990	8,580	410	4.6	9,310	8,860	450	4.8	9,340	9,000	340	3.6
Kittitas	12,240	11,270	970	7.9	12,220	11,090	1,130	9.2	11,620	11,000	620	5.3
Klickitat	8,210	7,390	820	10.0	8,490	7,690	800	9.4	8,010	7,440	570	7.1
Lewis	23,240	21,280	1,960	8.4	23,850	21,520	2,330	9.8	25,800	24,280	1,520	5.9
Lincoln	4,540	4,390	150	3.3	4,560	4,380	180	3.9	4,520	4,420	100	2.2
Mason	15,250	14,290	960	6.3	15,770	14,610	1,160	7.4	14,520	13,750	770	5.3
Okanogan	18,410	16,370	2,040	11.1	19,840	18,060	1,780	9.0	18,650	16,920	1,730	9.3
Pacific	7,750	7,140	610	7.9	7,840	7,220	620	7.9	7,800	7,250	550	7.1
Pend Oreille	3,110	2,810	300	9.6	3,270	2,880	390	11.9	3,290	2,950	340	10.3
San Juan	7,360	7,200	160	2.2	7,390	7,210	180	2.4	7,350	7,220	130	1.8
Skagit	42,110	39,560	2,550	6.1	42,950	39,940	3,010	7.0	42,390	40,010	2,380	5.6
Skamania	2,160	1,800	360	16.7	2,230	1,830	400	17.9	2,190	1,930	260	11.9
Stevens	11,670	10,790	880	7.5	12,190	11,070	1,120	9.2	11,550	10,750	800	6.9
Wahkiakum	1,240	1,160	80	6.5	1,310	1,210	100	7.6	1,210	1,140	70	5.8
Walla Walla	22,760	21,740	1,020	4.5	23,590	22,370	1,220	5.2	23,190	22,160	1,030	4.4
Wenatchee Labor Area	46,850	41,870	4,980	10.6	52,210	48,390	3,820	7.3	49,130	45,350	3,780	7.7
Chelan County‡	31,310	27,760	3,550	11.3	34,850	32,080	2,770	7.9	32,640	30,070	2,570	7.9
Douglas County‡	15,540	14,110	1,430	9.2	17,370	16,310	1,060	6.1	16,500	15,290	1,210	7.3
Whitman	17,600	17,130	470	2.7	16,940	16,500	440	2.6	17,840	17,520	320	1.8

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

August 1991 Unemployment Rates

State of Washington = 5.4%


San Juan 2.2%
Whatcom 4.9%
Okanogan 11.1%
Ferry 6.5%
Pend Oreille 9.6%
Stevens 7.5%
Skagit 6.1%
Island 3.8%
Clallam 6.4%
Snohomish 4.4%
Chelan 11.3%
Douglas 9.2%
Jefferson 4.6%
Kitsap 4.5%
King 4.1%
Lincoln 3.3%
Spokane 5.3%
Grays Harbor 9.2%
Mason 6.3%
Grant 7.7%
Kittitas 7.9%
Adams 9.4%
Whitman 2.7%
Thurston 5.2%
Pierce 5.5%
Pacific 7.9%
Lewis 8.4%
Franklin 9.8%
Garfield 1.0%
Yakima 9.9%
Columbia 9.0%
Walla Walla 4.5%
Cowlitz 7.3%
Skamania 16.7%
Benton 6.0%
Asotin 3.7%
Wahkiakum 6.5%
Klickitat 10.0%
Clark 6.0%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary August Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Aug 91	Jul 91	Aug 90	Aug 91	Jul 91	Aug 90	Aug 91	Jul 91	Aug 90
Total Manufacturing Industries	216,874	$534.60	$533.52	$509.44	39.6	39.0	39.8	$13.50	$13.68	$12.80
Selected Manufacturing Industries										
Lumber and Wood Products	31,979	$483.57	$456.61	$426.73	40.5	38.5	37.4	$11.94	$11.86	$11.41
Primary Metal Industries	9,779	$602.15	$616.04	$558.03	41.7	42.9	42.5	$14.44	$14.36	$13.13
Fabricated Metal Products	10,399	$541.03	$547.96	$505.12	41.3	41.2	41.0	$13.10	$13.30	$12.32
Machinery	19,484	$432.84	$419.63	$434.72	39.1	37.5	39.7	$11.07	$11.19	$10.95
Food and Kindred Products	29,581	$386.63	$393.86	$387.44	37.5	36.3	38.9	$10.31	$10.85	$9.96
Chemical and Allied Products	4,638	$722.79	$724.46	$655.70	43.1	43.2	41.5	$16.77	$16.77	$15.80
Transportation Equipment	56,345	$673.92	$675.58	$656.04	40.5	40.6	42.0	$16.64	$16.64	$15.62
Selected Nonmanufacturing Industries										
Construction	94,667	$705.99	$715.26	$646.76	38.6	38.6	37.8	$18.29	$18.53	$17.11
Wholesale and Retail Trade (Includes eating and drinking establishments)	464,917	$299.52	$294.84	$284.25	32.0	31.5	31.1	$9.36	$9.36	$9.14

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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Washington LABOR MARKET

JOB SERVICE

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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

October 1991

Highlights

Of Things That Go Bump In The Night

The economy is currently operating in that rarified atmosphere called transition. For the nation as a whole, this represents progress along a rather bumpy road to recovery following what amounted to a fairly mild recession. A series of false starts and stops have characterized the pickup ever since the turning point officially took hold in the second quarter. And despite repeated efforts on the monetary front to jump-start the economy, nothing on the horizon looks to provide anything more than a very gradual uptick over the next several months.

Washington's economy, in contrast, has yet to touch bottom. But here too, the downturn on balance has proven relatively modest. Seasonally adjusted nonfarm wage and

Volume 15, Number 10

salary employment dropped 1.6 percent or 36,000 workers from the high in February after a run-up which averaged 90,000 workers a year from 1985 to 1990. In contrast, job losses were much more harrowing at 4.2 percent and 6.3 percent, respectively, in the 1969-71 and 1981-82 recessions. Basically, the state has given back a third of last year's growth although there seems to be a ways yet to go.

Depending upon how soon the national economy can shake off the doldrums, Washington can be expected to follow suit shortly thereafter. The state lagged the national downturn by a good six to seven months, and, correspondingly, would be expected to show some delay on the upside as well. In all likelihood, response in trade and services could logically coincide given that much of the current malaise stems from general consumer perceptions of the economy. But construction and manufacturing, which for Washington revolves principally around capital durable goods, can be expected to take some time.

Beyond the cyclical impacts, Washington faces some structural changes going into 1992. One, of course, is the beginning salvo of timber reductions coming out of the spotted owl deliberations. Second is the pending merger of the state's two biggest banks - Seattle First National (Bankamerica) and Security Pacific. Both will cause major industry realignment within a very brief time span. Further down the road are issues relating to water, power, and salmon coming out of official designation of the Snake River Sockeye as an endangered species. And waiting in the wings is possible further shuffling in retail trade.

On the plus side is a measure of relative stability in many key sectors of manufacturing: aerospace, electronics, fabricated metals, printing and publishing, and chemicals and allied products. Collectively, these industries make up nearly half of all manufacturing in the state. Lower interest rates have begun to stir housing starts which, in turn, should spur construction going into the prime building season this spring. Agriculture is in good stead with strong demand bolstering overall price levels for key crops. Meanwhile, major plant expansion of the Boeing Company will impact both to the north and south of King County, and population of the state is proceeding to build at rates significantly greater than both the state and national averages.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate remained unchanged in September at 5.4 percent of the workforce. The rate had dropped in August from 5.9 percent and in all likelihood has now touched the low for the year. A stable pattern between the two months is highly unusual. Joblessness in the state normally dips fractionally in September with the opening of schools and beginning buildup of the apple harvest in eastern Washington. This year, however, those trends were offset by slowing job growth in each of the major metropolitan areas.

A slower economic pace is also behind a higher than year-ago unemployment rate. Washington's overall jobless reading inched above the prior year for the first time in January after seven years of progressive decline. The turning point roughly coincided with that of nonfarm wage and salary employment which peaked seasonally adjusted in February. In the ensuing nine months, statewide unemployment has maintained a very stable one-and-a-half percentage point spread over the like month of 1990. The latest month contrasts with a low of 4.0 percent in September of last year.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Sep 1991 *Preliminary*	Aug 1991 *Revised*	Sep 1990
Resident Civilian Labor Force	2,480,900	2,479,900	2,452,900
Employment	2,346,900	2,346,700	2,355,800
Unemployment	134,000	133,200	97,100
Unemployment Rate	5.4%	5.4%	4.0%
National Unemployment Rate	6.4%	6.5%	5.5%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

On the other hand, the state still enjoys some cushion with respect to the national average. At a time the national economy was sinking rapidly into recession, job growth in

Washington proceeded to expand. Unemployment nationally overtook Washington beginning in early 1990 and the pattern has continued virtually unchecked to the present. Despite significant slowing on the employment front this year, Washington nonetheless has managed to maintain an unemployment rate well below the U.S. as a whole. The national jobless rate for September registered 6.4 percent.

INDUSTRY DEVELOPMENTS

Total nonfarm wage and salary employment increased by 19,700 workers in September. All of the gain centered in the public sector with the reopening of schools for the fall term. Payrolls in state and local education jumped by 23,800 over the month as non-teaching staff were recalled for the startup of the new fall term. The private sector, in contrast, showed no change. Normal seasonal trends should have pulled in thousands of additional workers into the private sector at this time of year but the hold of national recession continued to bite.

More than anything it has been a lethargic consumer who held back the economy. Wholesale and retail trade employment *dropped* by 800 workers in September when something on the order of a 3,500 *increase* would normally be expected. Retailing alone was off by 2,600 workers. Loss of consumer confidence has affected buying power generally throughout the nation and some restructuring in Washington has impacted individual segments specifically. The net result has shifted job numbers in wholesale and retail trade from roughly 15,000 *above* the prior year in January to 8,000 below just nine months hence.

Services Keep The Beat

Normal seasonal declines occurred in both construction and manufacturing in September. As was typical, the former pulled back by 500 over the month with losses among general building (-100) and special trade contractors (-600) as the peak building season passed. Manufacturing fell by 200 with gains in food processing (+700) offset by declines in lumber and wood products (-500) and industrial machinery and equipment (-400). Aerospace showed no change at 117,100 workers.

But countering the slide has been continued growth in services and government. Both moved higher seasonally in September. The services sector added 2,500 workers over the month and government netted out at 19,700. In the past year, the job totals were up 12,700 and 12,400, respectively. At this point in the business cycle it is not uncommon for those sectors of the economy tied principally to movements in population to show continued gains at a time when the basic export sectors are weakening. Part of the explanation is one of lags; the other is the fact that resident population is continuing to grow strongly irrespective of signals being generated by the broader economy.

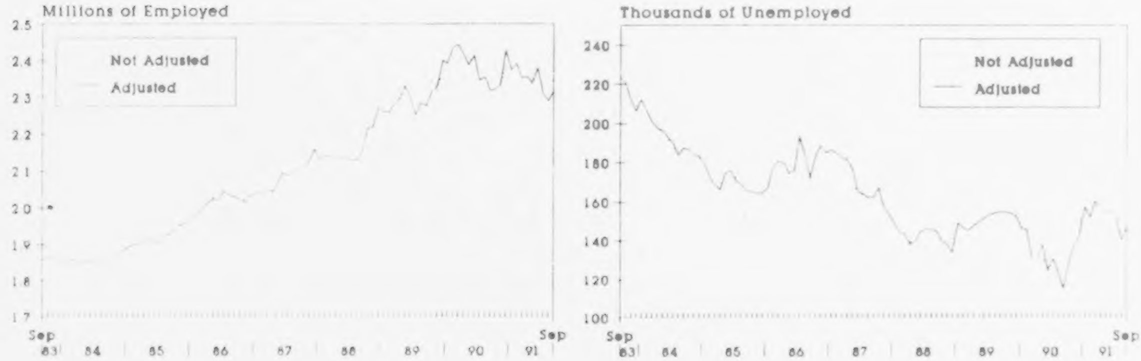
Year-to-Year Still On The Plus

Over the year, Washington's nonfarm wage and salary employment was up 6,000 in the latest month. As noted, any strength has come principally in services and government. But areas of diversified manufacturing have also contributed. Aircraft and parts showed a 1,600-worker gain from September 1990. Chemicals and allied products (basically Hanford-based) and electronics were each up 500 over the past year. And portions of fabricated metals and printing and publishing have largely held their own.

At the same time, both construction (-5,800) and trade (-7,900) are now running significantly less than a year ago. Both started the year sizably higher than 1990 but deteriorated as the months progressed. Construction is principally weaker in housing and commercial building (-4,200) coming off three years in which housing starts were up 25 percent from the average in the mid-1980s. And trade has dropped with the general malaise of consumer spending.

Manufacturing is weaker by 5,300 workers. Roughly half the shortfall has centered in lumber and wood products (-2,500) where a combination of weakened demand and resource strategizing has impacted. Losses in primary metals (-900) and instruments and related products (-600) largely reflect structural changes caused by the pullout of a single company in each industry: Seattle Steel in the former and Tektronics (Vancouver) in the latter. For the most part, the rest of manufacturing shows little change.

Washington State Total Resident Employment and Unemployment
September 1983 - September 1991



Source: Employment Security Department

AREA TRENDS

A Combination of Give and Take

Unemployment in Washington's metropolitan areas inched higher on average by one-tenth of one percent in September to 5.1 percent of the civilian workforce. The modest increase reflected normal seasonal pullback in the area economies as weather transitioned from summer to fall. Comparable gains of three-tenths of one percent were recorded in Bremerton (4.8 percent), Tacoma (5.8 percent), and Seattle (4.5 percent). Spokane showed no change at 5.3 percent and both the Tri-Cities (6.8 percent) and Yakima (7.7 percent) dipped lower over the month. In all cases, however, the prevailing unemployment rate stood substantially higher than a year ago by roughly one-and-a-half percentage points on average.

Only those areas keyed heavily toward apple production evidenced any significant boost in economic activity in September. This pattern logically will carry forward into October. Specifically, those counties comprising the state's "apple belt" include Yakima together with the Wenatchee area (where unemployment dropped from 10.6 percent to

6.6 percent over the month) and Okanogan County (which showed a decline from 11.0 percent to 8.2 percent). The weighting proved heavy enough to pull the average unemployment rate for all of eastern Washington down from 7.3 percent to 6.5 percent in September. But the outlying timber-dependent areas saw little changed with a jobless average holding at 7.5 percent of the workforce.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Sep 1991	Aug 1991	Sep 1990
Washington State Total	5.4%	5.4%	4.0%
Metropolitan Areas	5.1%	5.0%	3.8%
Log & Lumber Areas	7.5%	7.7%	5.8%
All Western WA Areas	5.1%	4.8%	3.7%
All Eastern WA Areas	6.5%	7.3%	4.8%

Source: Employment Security Department

INDUSTRY NOTES

Boeing Moves It Out

Despite slower orders for commercial jets in 1991, Boeing is proceeding to step up deliveries into 1992. The current backlog of $98 billion is the largest in commercial aviation history but additions in 1991 have dropped to less than half that of 1990. Some airlines have extended delivery dates because of financial difficulties. However, others have stepped forward to fill those vacated slots. As a result, Boeing is looking to boost production of the 747 from 5 to 7 planes a month by mid-1993 and increase the 757 from 7 to 8.5 planes a month early next year. The 737 will be shifted back from 21 to 17 a month - a schedule consistent with that coming into the year. Spending for research and development in the commercial aviation group is expected to peak next year at $2 billion as Boeing gears up activity on the new 777 jetliner which is scheduled to debut in 1995.

Salmon Move Up The Political Ladder

The National Marine Fisheries Service officially designated the Snake River Sockeye Salmon an endangered species thereby forcing government to act to save the species from extinction. This is the first in what is expected to be three

Northwest salmon species slated for federal protection. As a result, regional entities, including Governor Gardner, have taken the initiative to draft plans aimed at boosting the survival rate while addressing other water flow needs.

One body is the Northwest Power Planning Council which has representation throughout the Pacific Northwest states. Current draft proposals call for storing water behind the Columbia-Snake River dams in winter and then reducing reservoir levels during the critical spring months in order to hasten the flush of the smolts downstream. Installing auxiliary devices around the dams and reducing harvest levels are also included. The net result would be expected to boost the salmon survival rate by 30 percent at a cost of $70 million annually to power users.

Ax Falls on State Government

A slower economy, particularly sluggish retail sales, has hit state government coffers with a vengeance. The latest forecast is a $900 million deficit in the current biennium. Governor Gardner immediately imposed a 2.5 percent cutback across all agencies in an effort to reduce spending by $205 million. And a combination of options will be presented to the legislature which could include a tax increase, use of the $260 million "rainy day" fund, suspension of employee and teacher pay hikes, and cuts in social services and higher education.

Market Ripe For Apples and Wheat

Across eastern Washington, the cheers you hear are a response to some of the most favorable market conditions in years for two of the state's biggest crops - apples and wheat. The size of the latest apple crop is estimated at 72.5 million boxes - larger than expected given the severe freeze last winter and poor pollination in the spring. But delayed ripening increased the size of the crop and prices have been boosted by strong exports. Washington typically produces more than half the nation's apples and, with the European crop cut in half this year, exports are expected to increase from the usual 20 percent to 25 percent of the crop.

At the same time, strong export demand has pushed prices for soft white wheat to levels not seen in nearly two years. The latest surge to $4.29 a bushel in the first week of November was up 50 cents in less than a month. Pakistan and Egypt announced buying intentions for as much as 36.7 million bushels of soft white variety wheat, nearly a third of Washington's entire harvest this year. Adding to the bullish markets is political shipments of grain to the Soviet Union.

NATIONAL INDICATORS

Manufacturing Can't Do It Alone

The nation's industrial output cooled in September after leading the recovery since early last spring. The Federal Reserve's index of industrial production rose a minuscule 0.1 percent in the latest month following no change a month before. Analysts viewed the slight gain as further evidence that the national recovery has indeed faltered. Concurrently, the U.S. Chamber of Commerce reported that business confidence has recently dropped to the lowest level since August 1990 - just shortly after the beginning of the current recession.

Factory Orders Signal No Pickup Soon

Moreover, orders for big-ticket factory goods fell in September for the second consecutive month. Durable-goods orders slid 3.4 percent over the month after falling an even larger 4.1 percent in August. The declines followed moderate growth in both April and May, a slight dip in June, and record gains in July. Most of September's drop stemmed from a large drop-off in orders for aircraft and shipbuilding equipment. But even excluding the volatile transportation sector, the rest of new orders for factory goods was up only 0.9 percent for the month.

Putting a Lid on Producer Prices

Producer prices rose almost imperceptibly in September. The overall index of prices of finished goods inched higher by just 0.1 percent over the month and 0.3 percent over the past six months. Changes in food and energy costs nearly canceled each other out and prices for finished goods excluding food and energy were unchanged. The price performance was seen as giving the Federal Reserve further latitude in which to ease credit in an effort to jump-start the economy.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Sep 91	Aug 91	Sep 90	Aug 91	Sep 90
	137.2	136.6	132.7	0.4%	3.4%
Seattle†	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1990	Jul-Dec 1990	Jan-Jun 1990
	133.0	129.4	124.2	2.8%	7.1%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Sep 1991 (Prel)	Aug 1991 (Rev)	Sep 1990 (Rev)	Aug 1990 (Rev)	Numeric Change Aug 1991 to Sep 1991	Numeric Change Sep 1990 to Sep 1991
Total Nonagricultural Wage & Salary	2,203.0	2,183.3	2,197.0	2,174.8	19.7	6.0
Manufacturing	370.3	370.5	375.6	375.4	-0.2	-5.3
Durable Goods	257.0	257.5	262.2	262.5	-0.5	-5.2
Lumber & Wood Products	38.8	38.8	41.3	41.6	0.0	-2.5
Logging	9.6	9.4	10.3	10.4	0.2	-0.7
Sawmills & Plywood	25.2	25.5	27.1	27.3	-0.3	-1.9
Furniture & Fixtures	4.0	4.1	4.2	4.3	-0.1	-0.2
Stone, Clay, & Glass	7.9	7.8	8.0	8.0	0.1	-0.1
Primary Metals	12.2	12.3	13.1	13.2	-0.1	-0.9
Aluminum	8.6	8.7	9.0	9.0	-0.1	-0.4
Fabricated Metals	12.9	12.9	12.8	12.7	0.0	0.1
Industrial Machinery & Equipment	19.4	19.8	20.6	20.7	-0.4	-1.2
Computer & Office Equipment	6.4	6.6	6.4	6.5	-0.2	0.0
Electronic & Other Electrical Equipment	12.0	11.9	11.5	11.5	0.1	0.5
Transportation Equipment	129.8	129.8	129.9	129.8	0.0	-0.1
Aircraft & Parts	117.1	117.1	115.5	115.4	0.0	1.6
Instruments & Related	13.7	13.8	14.3	14.4	-0.1	-0.6
Miscellaneous Manufacturing	6.3	6.3	6.5	6.3	0.0	-0.2
Nondurable Goods	113.3	113.0	113.4	112.9	0.3	-0.1
Food & Kindred Products	41.5	40.8	41.7	40.6	0.7	-0.2
Preserved Fruits & Vegetables	16.2	15.5	16.5	15.3	0.7	-0.3
Textiles, Apparel, & Leather	7.9	8.0	8.4	8.4	-0.1	-0.5
Paper & Allied Products	18.1	18.2	18.2[2]	18.7	-0.1	-0.1
Printing & Publishing	22.8	22.9	22.6	22.6	-0.1	0.2
Chemicals & Allied Products	13.8	13.9	13.3	13.4	-0.1	0.5
Petroleum, Coal, Plastics	9.2	9.2	9.2	9.2	0.0	0.0
Mining & Quarrying	3.7	3.8	4.0	4.0	-0.1	-0.3
Construction	123.5	124.0	129.3	129.9	-0.5	-5.8
General Building Contractors	34.8	34.9	39.0	39.2	-0.1	-4.2
Heavy Construction, except Buildings	18.5	18.3	18.9	18.8	0.2	-0.4
Special Trade Contractors	70.2	70.8	71.4	71.9	-0.6	-1.2
Transportations, Communications, & Util	116.6	116.9	116.2	115.8	-0.3	0.4
Transportation	81.7	81.7	81.1	80.5	0.0	0.6
Trucking & Warehousing	33.6	33.8	32.5	32.2	-0.2	1.1
Water Transportation	9.9	9.9	10.0	9.8	0.0	-0.1
Transportation by Air	15.9	16.0	16.1	16.3	-0.1	-0.2
Communications	24.7	25.0	25.3	25.4	-0.3	-0.6
Electric, Gas, & Sanitary Services	10.2	10.2	9.8	9.9	0.0	0.4
Wholesale & Retail Trade	524.0	524.8	531.9	531.8	-0.8	-7.9
Wholesale Trade	131.0	129.2	133.9	131.3	1.8	-2.9
Retail Trade	393.0	395.6	398.0	400.5	-2.6	-5.0
General Merchandise	37.6	37.8	38.6	38.5	-0.2	-1.0
Food Stores	65.4	65.2	65.6	65.1	0.2	-0.2
Eating & Drinking	146.1	147.7	147.6	149.4	-1.6	-1.5
Finance, Insurance, & Real Estate	118.6	119.2	118.8	119.3	-0.6	-0.2
Finance	51.2	51.1	51.8	51.9	0.1	-0.6
Services	538.6	536.1	525.9	521.1	2.5	12.7
Hotels & Lodging	27.3	27.8	27.4	27.9	-0.5	-0.1
Personal Services	21.5	21.5	21.8	21.2	0.0	-0.3
Business Services	91.2	91.3	90.0	89.5	-0.1	1.2
Health Services	158.6	158.5	151.1	150.6	0.1	7.5
Educational Services	23.5	19.3	22.2	18.1	4.2	1.3
Social Services	36.8	36.3	34.9	34.6	0.5	1.9
Engineering & Management Services	48.5	48.4	46.9	46.8	0.1	1.6
Government	407.7	388.0	395.3	377.5	19.7	12.4
Federal	74.2	74.9	72.9	73.9	-0.7	1.3
State	114.0	106.9	109.6	102.9	7.1	4.4
State Education	54.0	46.6	52.4	45.2	7.4	1.6
Local	219.5	206.2	212.8[2]	200.7	13.3	6.7
Local Education	112.9	96.5	105.3[2]	92.2	16.4	7.6
Labor-Management Disputes	0.0	0.0	1.0	0.0	0.0	-1.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes

Washington State
Employment Security Department
Labor Market and Economic Analysis

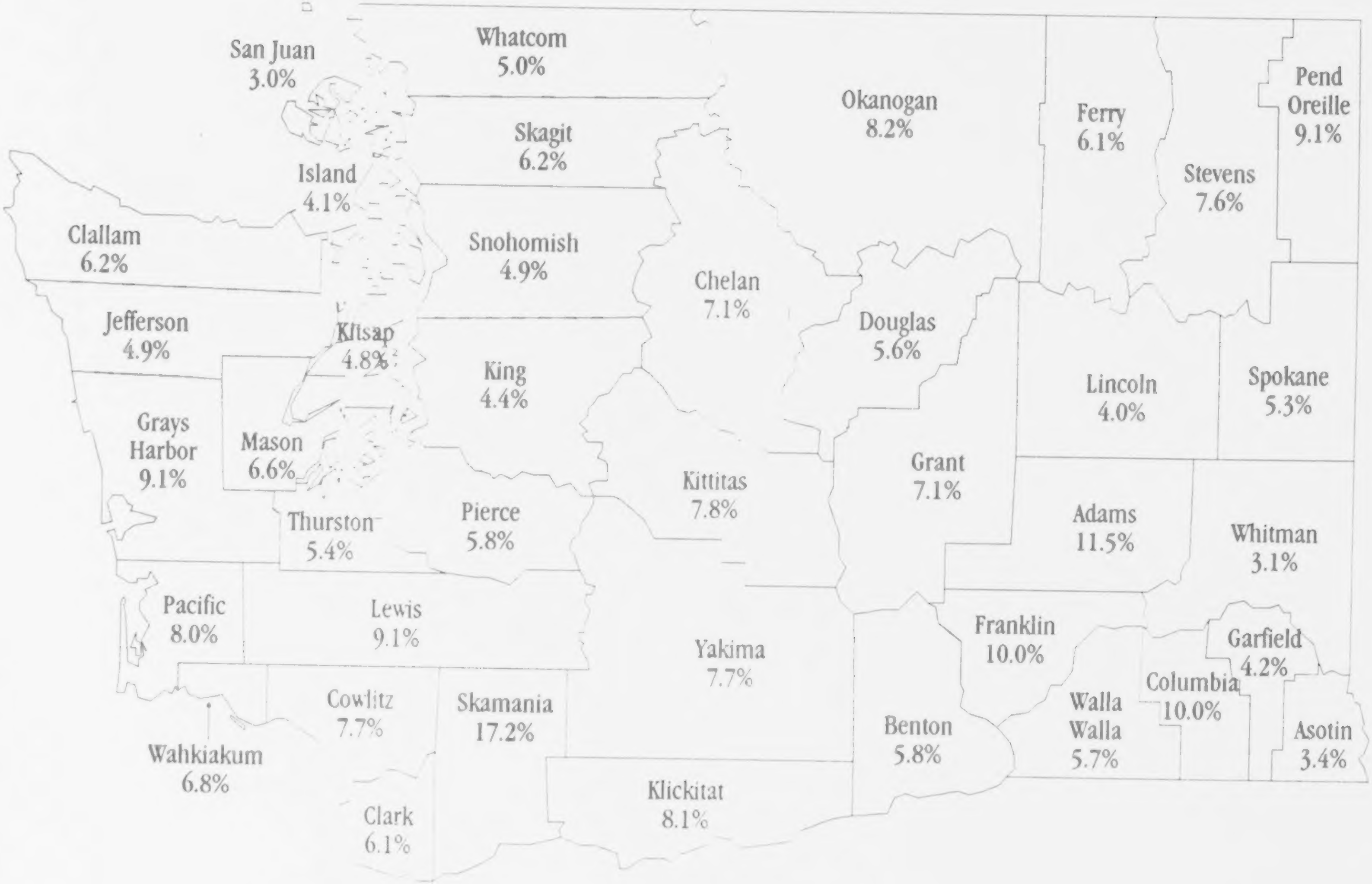
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 10/30/91
Benchmark: 1990

	September 1991 Preliminary†				August 1991 Revised†				September 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,480,900	2,346,900	134,000	5.4	2,479,900	2,346,700	133,200	5.4	2,452,900	2,355,800	97,100	4.0
Bellingham MSA	68,200	64,800	3,400	5.0	68,000	64,700	3,300	4.9	66,200	63,600	2,600	3.9
Bremerton MSA	83,000	79,000	4,000	4.8	82,700	79,000	3,700	4.5	80,400	77,300	3,100	3.9
Olympia MSA	81,400	77,000	4,400	5.4	82,500	78,200	4,300	5.2	80,700	77,400	3,300	4.1
Seattle PMSA	1,111,300	1,061,600	49,700	4.5	1,112,300	1,065,600	46,700	4.2	1,095,400	1,060,400	35,000	3.2
King County‡	877,000	838,700	38,300	4.4	878,100	841,900	36,200	4.1	864,800	837,800	27,000	3.1
Snohomish County‡	234,200	222,800	11,400	4.9	234,200	223,700	10,500	4.5	230,600	222,600	8,000	3.5
Spokane MSA	169,100	160,200	8,900	5.3	167,700	158,800	8,900	5.3	165,500	158,000	7,500	4.5
Tacoma PMSA	240,100	226,100	14,000	5.8	242,200	228,900	13,300	5.5	246,300	235,600	10,700	4.3
Tri-Cities MSA	75,500	70,400	5,100	6.8	77,100	71,800	5,300	6.9	72,500	68,700	3,800	5.2
Benton County‡	58,500	55,100	3,400	5.8	59,800	56,200	3,600	6.0	56,400	53,800	2,600	4.6
Franklin County‡	17,000	15,300	1,700	10.0	17,300	15,600	1,700	9.8	16,100	14,900	1,200	7.5
Vancouver PMSA	127,500	119,700	7,800	6.1	127,200	119,600	7,600	6.0	126,600	121,600	5,000	3.9
Yakima MSA	106,000	97,800	8,200	7.7	105,000	94,600	10,400	9.9	105,200	99,700	5,500	5.2
Adams	8,860	7,840	1,020	11.5	8,550	7,750	800	9.4	7,650	7,280	370	4.8
Asotin	9,310	8,990	320	3.4	9,390	9,050	340	3.6	8,850	8,590	260	2.9
Clallam	23,830	22,350	1,480	6.2	23,560	22,050	1,510	6.4	24,270	22,950	1,320	5.4
Columbia	1,200	1,080	120	10.0	1,240	1,130	110	8.9	1,220	1,120	100	8.2
Cowlitz	38,160	35,240	2,920	7.7	37,740	34,990	2,750	7.3	38,330	36,090	2,240	5.8
Ferry	3,130	2,940	190	6.1	3,100	2,900	200	6.5	3,220	3,030	190	5.9
Garfield	960	920	40	4.2	1,000	990	10	1.0	950	920	30	3.2
Grant	28,790	26,760	2,030	7.1	29,140	26,910	2,230	7.7	27,810	26,400	1,410	5.1
Grays Harbor	25,130	22,840	2,290	9.1	25,410	23,080	2,330	9.2	25,450	23,630	1,820	7.2
Island	21,940	21,030	910	4.1	22,400	21,550	850	3.8	21,270	20,630	640	3.0
Jefferson	8,950	8,510	440	4.9	9,000	8,590	410	4.6	9,100	8,770	330	3.6
Kittitas	12,960	11,950	1,010	7.8	12,250	11,280	970	7.9	11,990	11,400	590	4.9
Klickitat	8,230	7,560	670	8.1	8,350	7,540	810	9.7	7,950	7,370	580	7.3
Lewis	23,220	21,100	2,120	9.1	23,060	21,120	1,940	8.4	24,110	22,820	1,290	5.4
Lincoln	4,240	4,070	170	4.0	4,590	4,440	150	3.3	4,240	4,090	150	3.5
Mason	15,480	14,460	1,020	6.6	15,400	14,440	960	6.2	14,250	13,550	700	4.9
Okanogan	21,160	19,420	1,740	8.2	18,520	16,480	2,040	11.0	20,370	19,170	1,200	5.9
Pacific	7,370	6,780	590	8.0	7,730	7,130	600	7.8	7,520	7,050	470	6.3
Pend Oreille	3,070	2,790	280	9.1	3,120	2,820	300	9.6	3,130	2,830	300	9.6
San Juan	6,890	6,680	210	3.0	7,370	7,210	160	2.2	6,820	6,720	100	1.5
Skagit	40,320	37,810	2,510	6.2	42,030	39,480	2,550	6.1	40,110	38,170	1,940	4.8
Skamania	2,090	1,730	360	17.2	2,170	1,810	360	16.6	1,990	1,790	200	10.1
Stevens	11,410	10,540	870	7.6	11,680	10,800	880	7.5	11,050	10,320	730	6.6
Wahkiakum	1,170	1,090	80	6.8	1,240	1,160	80	6.5	1,150	1,060	90	7.8
Walla Walla	22,990	21,670	1,320	5.7	22,800	21,770	1,030	4.5	23,170	22,300	870	3.8
Wenatchee Labor Area	49,360	46,110	3,250	6.6	46,900	41,940	4,960	10.6	48,970	46,700	2,270	4.6
Chelan County‡	32,900	30,570	2,330	7.1	31,340	27,800	3,540	11.3	32,470	30,960	1,510	4.7
Douglas County‡	16,460	15,540	920	5.6	15,550	14,130	1,420	9.1	16,500	15,740	760	4.6
Whitman	18,610	18,030	580	3.1	17,620	17,150	470	2.7	18,970	18,660	310	1.6

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

September 1991 Unemployment Rates
State of Washington = 5.4%


San Juan 3.0%
Whatcom 5.0%
Okanogan 8.2%
Ferry 6.1%
Stevens 7.6%
Pend Oreille 9.1%
Island 4.1%
Skagit 6.2%
Clallam 6.2%
Snohomish 4.9%
Chelan 7.1%
Douglas 5.6%
Jefferson 4.9%
Kitsap 4.8%
King 4.4%
Lincoln 4.0%
Spokane 5.3%
Grays Harbor 9.1%
Mason 6.6%
Grant 7.1%
Kittitas 7.8%
Thurston 5.4%
Pierce 5.8%
Adams 11.5%
Whitman 3.1%
Pacific 8.0%
Lewis 9.1%
Franklin 10.0%
Garfield 4.2%
Yakima 7.7%
Columbia 10.0%
Cowlitz 7.7%
Skamania 17.2%
Walla Walla 5.7%
Benton 5.8%
Asotin 3.4%
Wahkiakum 6.8%
Klickitat 8.1%
Clark 6.1%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary September Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Sep 91	Aug 91	Sep 90	Sep 91	Aug 91	Sep 90	Sep 91	Aug 91	Sep 90
Total Manufacturing Industries†	217,477	$539.89	$534.36	$519.21	40.2	39.7	40.5	$13.43	$13.46	$12.82
Selected Manufacturing Industries										
Lumber and Wood Products	32,054	$470.83	$470.83	$451.58	39.8	39.4	39.2	$11.83	$11.95	$11.52
Primary Metal Industries	9,698	$597.40	$600.48	$562.22	42.1	41.7	42.4	$14.19	$14.40	$13.26
Fabricated Metal Products	10,417	$537.92	$543.30	$519.66	41.0	41.6	42.7	$13.12	$13.06	$12.17
Machinery	19,258	$441.28	$431.34	$439.39	39.4	39.0	40.2	$11.20	$11.06	$10.93
Food and Kindred Products	30,860	$396.36	$393.46	$391.78	39.4	38.2	40.1	$10.06	$10.30	$9.77
Chemical and Allied Products	4,597	$755.17	$718.58	$709.72	44.5	42.9	44.0	$16.97	$16.75	$16.13
Transportation Equipment	56,334	$683.49	$673.15	$659.29	41.1	40.6	42.1	$16.63	$16.58	$15.66
Selected Nonmanufacturing Industries										
Construction	94,633	$720.22	$710.04	$678.99	39.1	38.8	39.0	$18.42	$18.30	$17.41
Wholesale and Retail Trade (Includes eating and drinking establishments)	462,742	$307.15	$302.38	$298.45	32.4	32.1	32.3	$9.48	$9.42	$9.24

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

November 1991

Highlights

Nothing But The Patter Of Seasons

Washington's economy showed little other than normal reaction to seasonal trends in October. The weather turned abruptly from summer to fall. And like the clouds, the business climate darkened over the month as the lack of any perceptible thrust in the economy collided with the usual pullback in seasonal industries. The result was a seasonally adjusted job count which stayed 30,000 below the peak in February.

Correspondingly, the unemployment rate heightened in October as fairly typical reductions began in manufacturing, construction, services, and trade. That pattern will be repeated over the next several months with the exception of the Christmas buildup in trade and services. Traditionally,

Volume 15, Number 11

the economy reaches its low point sometime either in January or February and then proceeds to heighten into early spring.

But over the past year, the pull of recession has acted to constrain the usual pattern on the upside. And the same forces will add further weight on the downside as well. The State Office of the Forecast Council is projecting a 5,800-worker seasonally adjusted decline in the fourth quarter and another 800 in the first quarter before the economy begins a gradual recovery, likely in the second quarter of 1992.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate increased from 5.4 percent to 5.6 percent of the workforce in October. Normally an uptick occurs at this time of year as seasonal industries throughout the state scale back with the onset of wetter weather. This year was no exception. However, the added factor this time around was a slower economic pace which has consistently kept statewide unemployment tracking higher than a year ago ever since January.

Basically, the level of joblessness this year is echoing the pattern of 1988-89. Nineteen-ninety proved to be the last ***hurrah*** in what amounted to an unprecedented string of growth years for the state. And accordingly, unemployment dropped last year to levels not seen since the late-1960s. The seasonally adjusted average for the first ten months of 1991 computes to 6.1 percent - not much different from the full year tally of 6.2 percent jobless posted in both 1988 and 1989. This time, however, the rate is rising rather than falling as was the case two years ago.

Yet Washington continues to look better than most other states in the nation. Two thirds of the states posted an unemployment rate higher than Washington's in October, and despite the slowdown, the state proceeds to track below the national average for the second consecutive year. The state generally evidences a greater degree of seasonality than the nation as a whole. Hence, the spread between the state and the nation widened in tandem with the weather in 1991

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Oct 1991 *Preliminary*	Sep 1991 *Revised*	Oct 1990
Resident Civilian Labor Force	2,498,200	2,481,300	2,470,200
Employment	2,357,600	2,346,400	2,361,800
Unemployment	140,600	134,900	108,400
Unemployment Rate	5.6%	5.4%	4.4%
National Unemployment Rate	6.4%	6.4%	5.4%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

from a close 0.2 percent in the first quarter to a much larger 0.9 percent in the third quarter and 0.8 percent in October. The final two months should not show much change.

INDUSTRY DEVELOPMENTS

Total nonfarm wage and salary employment dropped only 300 workers in October as losses in both manufacturing and nonmanufacturing were offset by additional gains in state and local education (+21,200) as hiring proceeded for the fall term. Most of these additions simply reflected return-to-work of nonteaching staff traditionally furloughed during the off-summer months. Any new hiring over and above the same period last year was minimal.

On the other hand, payrolls in the basic goods-producing sectors fell over the month by 2,900 workers - the same as a year before. Normal seasonal declines took place in lumber and wood products (-800), food processing (-1,200), and stone, clay and glass (-200). In addition, some cyclical losses showed up in industrial machinery (-300), primary and fabricated metals (-200), and paper and allied products (-400). Aerospace cut 100 jobs, but shipbuilding countered with a 200-worker gain.

Retailing On The Ropes

The services economy followed suit. Wholesale and retail trade pulled back by 5,500 workers in a period marking the lull between the traditional back-to-school and Christmas shopping peaks. Under normal circumstances, the next two months should be expected to witness something on the order of a 10,000-worker increase. But the trade sector on balance has weakened more than any other part of the economy since the first of the year. And with consumer confidence continuing to wane, there is every chance that hiring this year will be somewhat more restrained.

A turnabout in consumer buying is key to the recovery. The consumer accounts for fully two-thirds of Gross National Product and without that ***kick*** the economy is destined to languish pretty much as it is. Action on the part of the Fed has aggressively driven interest rates down in recent months which, in turn, should spur demand for big-ticket items and create additional spendable income through sizable mortgage refinancing. It has also now become a political reality that the Administration must act at least to some degree in order to assure that the economy is not an overriding issue come the 1992 elections.

Services Pull In The Reins

Services drifted lower by 4,000 workers in October as summer faded into fall. Labor Day traditionally marks an end to Washington's prime recreation and tourist season although some of the job totals are extended into late September by the 17-day run of the giant Western Washington State Fair. Employment at hotels and lodging facilities (-1,500), business services (-300), and amusements and recreation (-2,900) dropped significantly over the month. The changes, however, were nothing more than expected.

On the other hand, health services expanded by 400 and private colleges and universities added another 2,100 workers in October. The latter simply paralleled the hiring taking place in public education over the month. Health care, on the other hand, continues to expand irrespective of the posture of the business cycle. An ever aging and an expanding population stand behind the numbers. But in addition, the thrust toward specialized treatment centers and home health care services is adding to the total.

Construction Drops Seasonally

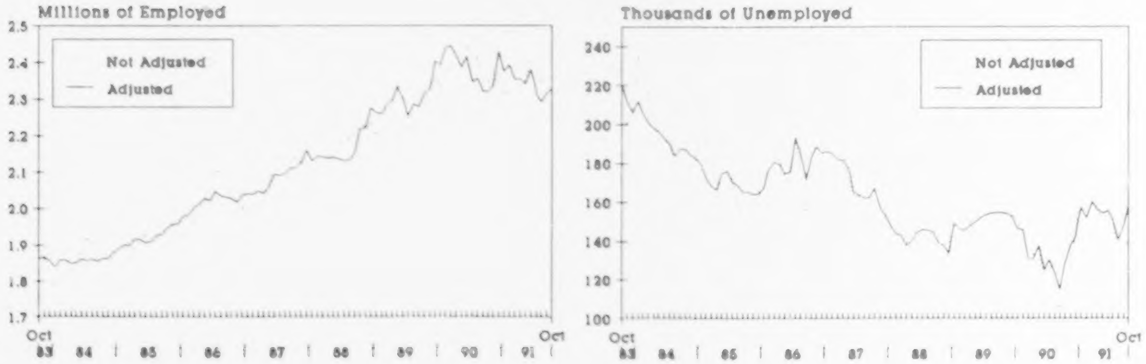
Meanwhile, construction employment dropped by 2,800 workers over the month. Nothing unusual here. General building scaled back in both the residential (-500) and nonresidential (-600) fields. And heavy construction pulled back by 500 as the weather turned increasingly sour. What is unusual is the fact that the special trades segment of the industry has now joined the rest. Payrolls among special trade contractors are no longer showing the degree of strength which up until June had kept employment levels running well above a year ago. In the past four months, that margin has done an about-face to the tune of 2,400 jobs.

Year-to-Year Hanging On the Edge

Washington's total nonfarm employment was up merely 500 workers over the year in October. The annual margin has progressively narrowed ever since the first of the year when a 70,000 net gain was reported. Both construction (-7,400) and trade (-10,100), in particular, have taken it on the chin this year. Manufacturing payrolls have been trimmed 5,600 over the past 12 months, half in lumber and wood products (-1,800) and the rest distributed fairly evenly in industrial machinery (-1,300), primary metals (-800), and transportation equipment other than aerospace (-1,300).

The employment bright spots continue to be centered in government (+16,400) and services (+8,800). Typically, these two sectors are less prone to cyclical changes and more responsive to overall growth in population and personal income. Even in the face of the current economic downturn, statewide population is estimated to be rising in the neighborhood of 2 to 2.5 percent - better than twice the

Washington State Total Resident Employment and Unemployment
October 1983 - October 1991



Source: Employment Security Department

national average. And real personal income is figured to have risen close to 2.5 percent in the most recent fiscal year after a high of 5 percent in both 1989 and 1990.

AREA TRENDS

Wrapping Up For Fall

Little change in unemployment occurred in October throughout most of the state's major metropolitan areas. The average moved higher by one-tenth of a percentage point to 5.3 percent from 5.2 percent a month before. Holding back the movement were modest changes in Seattle (4.5 to 4.6 percent), Bremerton (steady at 4.9 percent), Vancouver (6.2 to 6.1 percent), and Yakima (7.7 to 7.8 percent). Tacoma (6.1 percent) and Spokane (5.9 percent) moved higher by three-tenths and six-tenths of a percentage point, respectively. But the offset was a drop of three-tenths in the Tri-Cities (6.8 to 6.5 percent) and specifically the Franklin County portion of the SMSA (10.0 to 8.4 percent).

Divergent trends characterized much of the balance of the state. Harvesting of the commercial apple crop pulled unemployment down uniformly throughout the chief producing areas: Chelan and Douglas counties (from 6.6 to 5.7 percent), Okanogan (from 8.3 to 6.6 percent), and the above mentioned Franklin County portion of the Tri-Cities. The rest of the agricultural areas showed an uptick as summer eroded into fall. But the biggest change over the month took place in the timber-dependent counties where joblessness mounted on average from 7.6 percent to 8.3 percent of the workforce. The average for a year ago stood at 6.8 percent.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Oct 1991	Sep 1991	Oct 1990
Washington State Total	5.6%	5.4%	4.4%
Metropolitan Areas	5.3%	5.2%	4.1%
Log & Lumber Areas	8.3%	7.6%	6.8%
All Western WA Areas	5.4%	5.1%	4.1%
All Eastern WA Areas	6.4%	6.5%	5.6%

Source: Employment Security Department

INDUSTRY NOTES

Boeing Issues Early Warning

The Boeing Company has notified 562 workers of possible layoff by February 18th in what amounts to a third go-around of personnel action. Earlier layoff warnings were issued to 605 workers and then 152 workers for possible cutback effective in early January. New federal law requires that large employers give workers two months advance notice of pending reductions in force. There is no assurance, however, that all workers will lose their jobs: 323 of the second-round notifications were placed elsewhere within the company. Defense cuts and lower output of the 737 jetliner in 1992 stand behind the latest staffing adjustments.

Timber Sales Skid

Federal court action to protect the northern spotted owl has resulted (not surprisingly) in the lowest Forest Service timber sales since 1953. The 6.4 billion board feet of timber sold in fiscal year 1991 was 30 percent below the 9.5 billion board feet set by Congress as the target for the 12-month period and the lowest since 4.7 billion in the early-1950s. Sixteen federal timber tracts were put off limits by federal court action in 1991 after environmentalists successfully challenged the 1989 compromise measure. In the interim, the U.S. Forest Service has been ordered to come up with a management plan by March 5th, and the U.S. Fish and Wildlife Service is currently working on an owl recovery plan.

Agriculture Booming Along

On the other side of the state, long-term growth in agriculture is proving a boon to the economy. Increased exports, expanded irrigation, and greater diversification has succeeded in boosting the value of Pacific Northwest farm products more than 40 percent in the past ten years - twice the national average. Washington crops and livestock brought $3.8 billion in farm cash receipts in 1990, up 46 percent from 1980 compared to 22 percent of the nation as a whole.

Commodity values for fruits and nuts nearly doubled from $477 million in 1985 to $823 million in 1990 driven mostly by apples. Washington led the nation in apple production last year, was second in potatoes and grapes, third in hay, and fifth in wheat and barley. In addition, the state is a major player in such specialty crops as hops, mint and asparagus. Overall, Washington ranked 9th nationally in crop production at $2.4 billion and 23rd in livestock at $1.4 billion in 1990.

NATIONAL INDICATORS

Industrial Output Flat

The index of industrial production was unchanged in October after inching up 0.2 percent in September and falling 0.1 percent in August. This see-saw action over the past three months adds further evidence to the premise that the national economy has probably stalled. American industry operated at less than 80 percent of capacity in the latest month - the lowest since June. Through mid-summer, the nation's industrial sector had been seen as leading the economy out of recession. More needs to be done.

Economy Weaker Than Hinted

From a statistical standpoint, the nation's economy pulled out of recession last spring but weakened through the summer. Gross Domestic Product - the total value of goods and services produced within the nation's borders - edged up at an anemic 1.7 percent annual rate from July to September. Earlier reporting had pegged the increase at 2.5 percent for the quarter. Consumer spending, which accounts for roughly two-thirds of the total economy, proved weaker in the final tally than previously estimated.

Consumers Not Ready To Bolt

Consumer spending fell a sharp 0.4 percent in October, after adjusting for inflation, to an annual rate of $3.95 trillion. One culprit was the scant increase in after-tax personal income, which edged up over the month only 0.1 percent in real terms. As a reflection of the mood, consumer confidence plunged in November to lows akin to those of the 1981-82 recession.

Leading To Nothing But Calm On The Inflation Front

Collaterally, the lack of any drive in the economy has kept prices under wraps. Consumer prices inched up 0.1 percent in October - the slowest increase in seven months. Even excluding the volatile food and energy components, costs to consumers were up only 0.1 percent after hikes of 0.4 percent in each of the previous two months. For the 12 months ending in October, the overall national consumer price index has risen 2.9 percent compared to an average of 5.4 percent in 1990. Clearly, this kind of environment gives the Federal Reserve some elbow room in which to maneuver in its effort to jump-start the economy through lower interest rates.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Oct 91	Sep 91	Oct 90	Sep 91	Oct 90
	137.4	137.2	133.5	0.1%	2.9%
Seattle†	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1990	Jul-Dec 1990	Jan-Jun 1990
	133.0	129.4	124.2	2.8%	7.1%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Oct 1991 (Prel)	Sep 1991 (Rev)	Oct 1990 (Rev)	Sep 1990 (Rev)	Numeric Change Sep 1991 to Oct 1991	Numeric Change Oct 1990 to Oct 1991
Total Nonagricultural Wage & Salary	2,199.4	2,199.7	2,198.9	2,197.0	-0.3	0.5
Manufacturing	367.1	370.0	372.7	375.6	-2.9	-5.6
Durable Goods	255.1	256.6	260.9	262.2	-1.5	-5.8
Lumber & Wood Products	37.7	38.5	40.5	41.3	-0.8	-2.8
Logging	9.1	9.4	10.3	10.3	-0.3	-1.2
Sawmills & Plywood	24.8	25.2	26.3	27.1	-0.4	-1.5
Furniture & Fixtures	3.9	3.9	4.2	4.2	0.0	-0.3
Stone, Clay & Glass	7.7	7.9	7.7	8.0	-0.2	0.0
Primary Metals	12.1	12.2	12.9	13.1	-0.1	-0.8
Aluminum	8.5	8.6	8.9	9.0	-0.1	-0.4
Fabricated Metals	12.8	12.9	12.7	12.8	-0.1	0.1
Industrial Machinery & Equipment	19.2	19.5	20.5	20.6	-0.3	-1.3
Computer & Office Equipment	6.2	6.4	6.4	6.4	-0.2	-0.2
Electronic & Other Electrical Equipment	12.0	12.0	11.7	11.5	0.0	0.3
Transportation Equipment	129.7	129.7	129.9	129.9	0.0	-0.2
Aircraft & Parts	117.0	117.1	115.9	115.5	-0.1	1.1
Instruments & Related	13.7	13.7	14.2	14.3	0.0	-0.5
Miscellaneous Manufacturing	6.3	6.3	6.6	6.5	0.0	-0.3
Nondurable Goods	112.0	113.4	111.8	113.4	-1.4	0.2
Food & Kindred Products	40.4	41.6	40.5	41.7	-1.2	-0.1
Preserved Fruits & Vegetables	15.8	16.3	15.4	16.5	-0.5	0.4
Textiles, Apparel & Leather	8.0	7.9	8.4	8.4	0.1	-0.4
Paper & Allied Products	17.7	18.1	17.8[2]	18.2[2]	-0.4	-0.1
Printing & Publishing	22.9	22.8	22.7	22.6	0.1	0.2
Chemicals & Allied Products	13.8	13.8	13.3	13.3	0.0	0.5
Petroleum, Coal, Plastics	9.2	9.2	9.1	9.2	0.0	0.1
Mining & Quarrying	3.7	3.7	3.9	4.0	0.0	-0.2
Construction	120.5	123.3	127.9	129.3	-2.8	-7.4
General Building Contractors	33.6	34.7	38.4	39.0	-1.1	-4.8
Heavy Construction, except Buildings	18.1	18.6	18.4	18.9	-0.5	-0.3
Special Trade Contractors	68.7	69.9	71.1	71.4	-1.2	-2.4
Transportation, Communication & Utilities	115.0	116.1	115.9	116.2	-1.1	-0.9
Transportation	80.0	81.0	80.9	81.1	-1.0	-0.9
Trucking & Warehousing	33.1	33.2	33.1	32.5	-0.1	0.0
Water Transportation	9.2	9.8	9.6	10.0	-0.6	-0.4
Transportation by Air	15.8	15.9	16.0	16.1	-0.1	-0.2
Communications	25.0	25.0	25.3	25.3	0.0	-0.3
Electric, Gas & Sanitary Services	10.0	10.1	9.7	9.8	-0.1	0.3
Wholesale & Retail Trade	518.3	523.8	528.4	531.9	-5.5	-10.1
Wholesale Trade	129.8	130.9	132.3	133.9	-1.1	-2.5
Retail Trade	388.5	392.9	396.1	398.0	-4.4	-7.6
General Merchandise	37.7	37.6	38.4	38.6	0.1	-0.7
Food Stores	63.9	65.4	66.1	65.6	-1.5	-2.2
Eating & Drinking	143.6	146.3	145.2	147.6	-2.7	-1.6
Finance, Insurance & Real Estate	117.9	118.5	118.4	118.8	-0.6	-0.5
Finance	51.0	51.1	51.6	51.8	-0.1	-0.6
Services	534.3	538.3	525.5	525.9	-4.0	8.8
Hotels & Lodging	25.7	27.2	26.9	27.4	-1.5	-1.2
Personal Services	21.3	21.6	21.9	21.8	-0.3	-0.6
Business Services	90.7	91.0	89.9	90.0	-0.3	0.8
Health Services	158.9	158.5	151.9	151.1	0.4	7.0
Educational Services	25.4	23.3	24.3	22.2	2.1	1.1
Social Services	37.1	36.9	35.1	34.9	0.2	2.0
Engineering & Management Services	48.3	48.6	46.6	46.9	-0.3	1.7
Government	422.6	406.0	406.2	395.3	16.6	16.4
Federal	73.7	74.3	72.3	72.9	-0.6	1.4
State	125.0	114.1	119.2	109.6	10.9	5.8
State Education	65.4	54.1	63.0	52.4	11.3	2.4
Local	223.9	217.6	214.7	212.8[2]	6.3	9.2
Local Education	120.6	110.7	115.7	105.3[2]	9.9	4.9
Labor-Management Disputes	0.0	0.0	0.3	1.0	0.0	-0.3

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

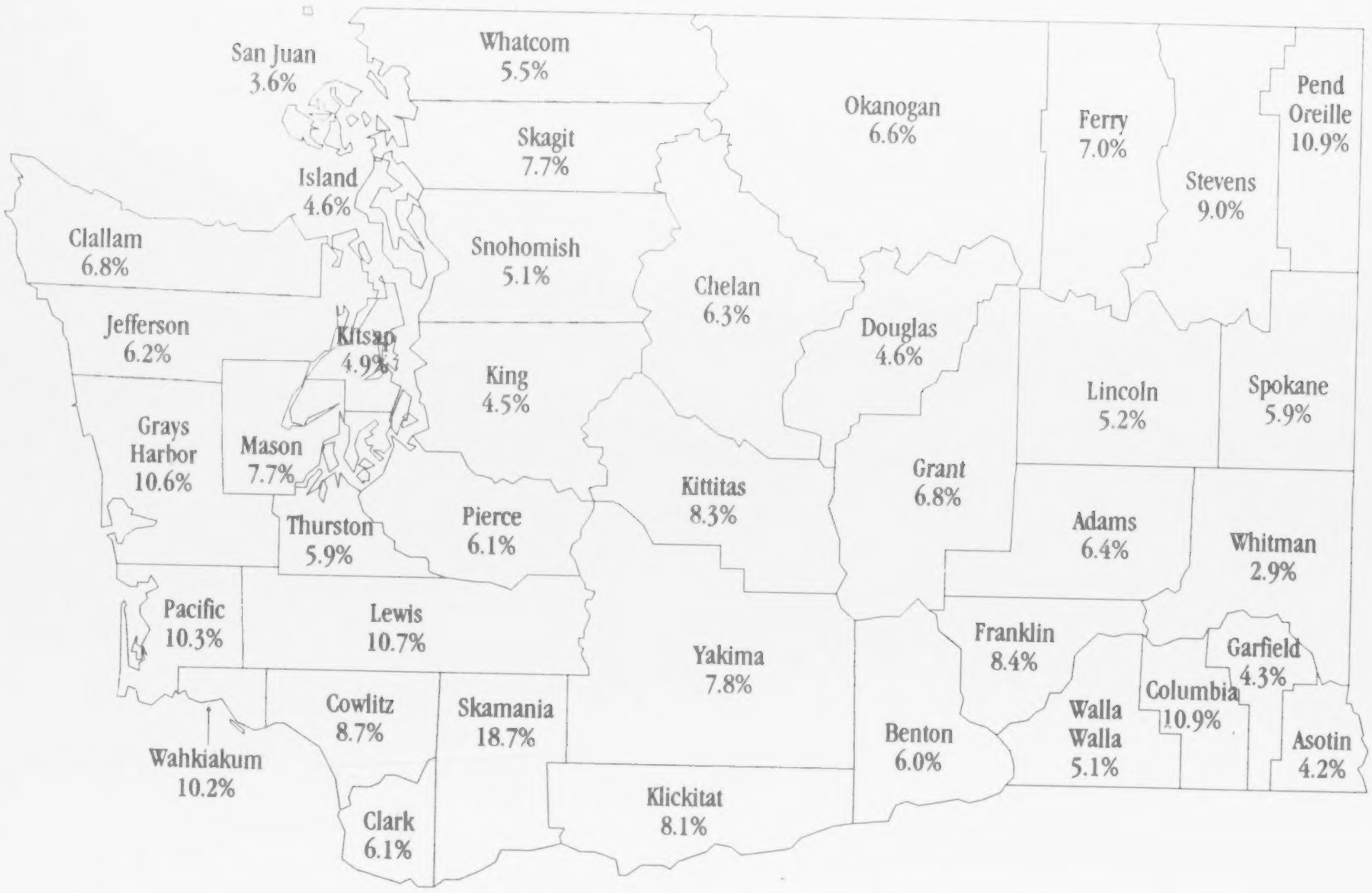
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 12/3/91
Benchmark: 1990

	October 1991 Preliminary†				September 1991 Revised†				October 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,498,200	2,357,600	140,600	5.6	2,481,300	2,346,400	134,900	5.4	2,470,200	2,361,800	108,400	4.4
Bellingham MSA	69,700	65,900	3,800	5.5	68,200	64,800	3,400	5.0	68,300	65,400	2,900	4.2
Bremerton MSA	83,600	79,500	4,100	4.9	83,200	79,100	4,100	4.9	81,500	78,200	3,300	4.0
Olympia MSA	83,000	78,100	4,900	5.9	81,800	77,400	4,400	5.4	81,100	77,000	4,100	5.1
Seattle PMSA	1,115,600	1,064,100	51,500	4.6	1,109,000	1,059,000	50,000	4.5	1,106,300	1,069,100	37,200	3.4
King County ‡	880,300	840,700	39,600	4.5	875,200	836,700	38,500	4.4	873,400	844,700	28,700	3.3
Snohomish County ‡	235,300	223,400	11,900	5.1	233,900	222,300	11,600	5.0	232,900	224,400	8,500	3.6
Spokane MSA	171,700	161,600	10,100	5.9	169,100	160,100	9,000	5.3	169,600	161,500	8,100	4.8
Tacoma PMSA	245,700	230,600	15,100	6.1	241,100	227,000	14,100	5.8	249,300	237,800	11,500	4.6
Tri-Cities MSA	74,900	70,000	4,900	6.5	75,500	70,400	5,100	6.8	71,100	66,900	4,200	5.9
Benton County ‡	58,300	54,800	3,500	6.0	58,500	55,100	3,400	5.8	55,400	52,400	3,000	5.4
Franklin County ‡	16,600	15,200	1,400	8.4	17,000	15,300	1,700	10.0	15,800	14,500	1,300	8.2
Vancouver PMSA	128,500	120,600	7,900	6.1	128,000	120,100	7,900	6.2	128,800	122,700	6,100	4.7
Yakima MSA	105,400	97,200	8,200	7.8	106,000	97,800	8,200	7.7	102,500	95,500	7,000	6.8
Adams	7,970	7,460	510	6.4	8,850	7,830	1,020	11.5	7,370	6,960	410	5.6
Asotin	9,540	9,140	400	4.2	9,330	9,000	330	3.5	9,380	9,010	370	3.9
Clallam	23,410	21,820	1,590	6.8	23,880	22,380	1,500	6.3	23,910	22,420	1,490	6.2
Columbia	1,280	1,140	140	10.9	1,210	1,090	120	9.9	1,210	1,080	130	10.7
Cowlitz	39,040	35,630	3,410	8.7	38,080	35,150	2,930	7.7	38,270	35,800	2,470	6.5
Ferry	3,140	2,920	220	7.0	3,140	2,940	200	6.4	3,220	3,030	190	5.9
Garfield	940	900	40	4.3	940	910	30	3.2	960	920	40	4.2
Grant	28,460	26,520	1,940	6.8	28,760	26,710	2,050	7.1	26,780	25,090	1,690	6.3
Grays Harbor	25,400	22,720	2,680	10.6	25,170	22,870	2,300	9.1	25,770	23,690	2,080	8.1
Island	21,790	20,780	1,010	4.6	22,050	21,130	920	4.2	21,430	20,730	700	3.3
Jefferson	8,860	8,310	550	6.2	8,970	8,520	450	5.0	8,800	8,390	410	4.7
Kittitas	13,070	11,980	1,090	8.3	12,990	11,960	1,030	7.9	12,090	11,450	640	5.3
Klickitat	8,000	7,350	650	8.1	8,240	7,570	670	8.1	7,800	7,170	630	8.1
Lewis	23,940	21,370	2,570	10.7	23,240	21,120	2,120	9.1	24,720	22,700	2,020	8.2
Lincoln	4,050	3,840	210	5.2	4,240	4,080	160	3.8	4,010	3,870	140	3.5
Mason	16,100	14,860	1,240	7.7	15,530	14,480	1,050	6.8	14,530	13,820	710	4.9
Okanogan	22,430	20,940	1,490	6.6	21,090	19,340	1,750	8.3	19,520	18,240	1,280	6.6
Pacific	7,460	6,690	770	10.3	7,390	6,790	600	8.1	7,490	6,860	630	8.4
Pend Oreille	3,210	2,860	350	10.9	3,080	2,790	290	9.4	3,130	2,820	310	9.9
San Juan	6,050	5,830	220	3.6	6,900	6,690	210	3.0	6,000	5,870	130	2.2
Skagit	40,450	37,320	3,130	7.7	40,360	37,830	2,530	6.3	39,350	37,130	2,220	5.6
Skamania	2,140	1,740	400	18.7	2,100	1,740	360	17.1	2,030	1,810	220	10.8
Stevens	11,410	10,380	1,030	9.0	11,430	10,540	890	7.8	11,060	10,200	860	7.8
Wahkiakum	1,270	1,140	130	10.2	1,170	1,090	80	6.8	1,160	1,080	80	6.9
Walla Walla	23,280	22,090	1,190	5.1	23,010	21,690	1,320	5.7	23,360	22,240	1,120	4.8
Wenatchee Labor Area	48,970	46,170	2,800	5.7	49,540	46,260	3,280	6.6	49,170	46,500	2,670	5.4
Chelan County ‡	32,660	30,610	2,050	6.3	33,030	30,670	2,360	7.1	32,610	30,830	1,780	5.5
Douglas County ‡	16,310	15,560	750	4.6	16,520	15,590	930	5.6	16,550	15,670	880	5.3
Whitman	18,600	18,060	540	2.9	18,600	18,030	570	3.1	19,150	18,780	370	1.9

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

October 1991 Unemployment Rates
State of Washington = 5.6%


San Juan 3.6%
Whatcom 5.5%
Okanogan 6.6%
Ferry 7.0%
Stevens 9.0%
Pend Oreille 10.9%
Island 4.6%
Skagit 7.7%
Clallam 6.8%
Snohomish 5.1%
Chelan 6.3%
Jefferson 6.2%
Kitsap 4.9%
Douglas 4.6%
King 4.5%
Lincoln 5.2%
Spokane 5.9%
Grays Harbor 10.6%
Mason 7.7%
Grant 6.8%
Kittitas 8.3%
Thurston 5.9%
Pierce 6.1%
Adams 6.4%
Whitman 2.9%
Pacific 10.3%
Lewis 10.7%
Franklin 8.4%
Yakima 7.8%
Garfield 4.3%
Columbia 10.9%
Cowlitz 8.7%
Skamania 18.7%
Walla Walla 5.1%
Benton 6.0%
Asotin 4.2%
Wahkiakum 10.2%
Klickitat 8.1%
Clark 6.1%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary October Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Oct 91	Sep 91	Oct 90	Oct 91	Sep 91	Oct 90	Oct 91	Sep 91	Oct 90
Total Manufacturing Industries†	214,283	$546.32	$542.04	$520.43	40.2	40.3	40.5	$13.59	$13.45	$12.85
Selected Manufacturing Industries										
Lumber and Wood Products	31,153	$469.13	$483.61	$460.75	38.9	40.1	40.1	$12.06	$12.06	$11.49
Primary Metal Industries	9,516	$591.47	$603.22	$560.28	41.8	42.6	42.0	$14.15	$14.16	$13.34
Fabricated Metal Products	10,272	$526.24	$540.54	$488.35	41.6	41.2	40.9	$12.65	$13.12	$11.94
Machinery	19,130	$438.26	$437.08	$441.57	39.2	39.2	41.0	$11.18	$11.15	$10.77
Food and Kindred Products	29,817	$400.40	$395.14	$374.58	40.0	39.2	39.1	$10.01	$10.08	$9.58
Chemical and Allied Products	4,562	$722.79	$763.48	$690.69	43.1	44.7	42.9	$16.77	$17.08	$16.10
Transportation Equipment	56,246	$713.39	$681.44	$671.40	41.5	41.1	42.2	$17.19	$16.58	$15.91
Selected Nonmanufacturing Industries										
Construction	92,984	$696.68	$726.54	$662.49	38.3	39.4	37.9	$18.19	$18.44	$17.48
Wholesale and Retail Trade (Includes eating and drinking establishments)	458,869	$298.30	$308.75	$283.98	31.4	32.5	30.8	$9.50	$9.50	$9.22

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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LABOR MARKET

JOB SERVICE

Washington State
Employment Security
Vernon E. Stoner
Commissioner

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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

December 1991

Highlights

More Give Than Take

Washington's economy moved sideways in November much like the pattern over the past couple months. Initial holiday buildup in retailing proved disappointing and construction dropped after holding steady a month before. Further tugging away at the job numbers was the first sizable loss in aerospace since January. And an abnormally large reduction took place over the month in temporary help services. The rest of the economy was either unwilling or unable to make up the difference, causing little by way of uptick to an economy which has been drifting steadily since February.

Unemployment did nothing unusual. Washington's jobless rate jumped better than half a percentage point in November. Both the direction and the degree of change

Volume 15, Number 12

were typical for a time of year when the major resource-based industries drop seasonally. Owing to the fact these industries are located in the outlying areas, the level of joblessness stayed virtually unchanged in the major metropolitan centers but mounted sharply in the balance of state. Nonetheless, the state's overall jobless rate continued to track low by historical standards and to register well under the national average for what amounts to the second consecutive year.

What was significant in November was the fact that total nonfarm wage and salary employment finally dipped below a year ago for the first time since early-1983 when the state was just pulling out of the 1981-82 recession. Washington entered 1991 with a 70,000-worker net gain which rapidly deteriorated as the economy stalled. Weakness in construction and trade essentially trooped the downturn together with noticeably less growth in various services sectors. By and large, this simply mirrored what was taking place on the broader national scene. On the other hand, great portions of manufacturing have either held steady or shown only passing acknowledgement of the national recession and that phenomenon is unique to Washington State.

Enough With The Doomsayers

All the pieces are in place for a rebound of the national economy likely in the second quarter of 1992. Aggressive action on the part of the Federal Reserve over the past year has successfully pared interest rates to lows not seen since the early 1970s. It will take time for the market to fully respond, but two immediate beneficiaries stand out - housing and exports.

Both are major legs of Washington's economy. Housing moves most of lumber and wood products manufacturing. Lower interest rates coupled with falling property values throughout many parts of the nation have put single-family home ownership within reach of the greatest proportion of the population in over a decade. New home sales nationally have jumped 26 percent from their January 1991 trough, and existing home sales are up 15 percent over the same time period. In response, housing starts have increased 26 percent in the past 12 months and building permits are up nearly a quarter.

Likewise, exports are poised for a boost. A declining value of the dollar translates directly into greater purchasing power in the hands of foreign buyers. Already inflation-adjusted exports have risen 11 percent since February paced by double-digit gains in capital goods shipments. Washington is one of the most heavily export-oriented economies in the nation with fully a third of all manufacturing product shipped overseas. Even higher proportions of some major farm crops are sold in foreign markets. The handling and transport of international trade plays an important role in the state's transportation services industry. And the spinoff from foreign trade permeates much of the rest of the economy.

Finally, vigorous cost-cutting and lower interest rates have set the stage for major improvement in corporate earnings and cash flow leading to additional capital spending. As painful as the current spate of restructuring is in terms of job loss, the bottom line is one of cost containment and productivity growth in American industry. The means toward that end is heavy investment in plant and equipment. And Washington sits on the receiving line being primarily a producer of capital equipment - machinery and instruments, electronics, primary and fabricated metals, computer software, aircraft and other transportation equipment.

The national economy has yet to show significant signs of life. But the second and third quarters of 1991 posted positive growth of real Gross Domestic Product, statistically marking an end to the recession which began in July. Whether or not the economy finishes the year on an upbeat is anybody's guess. However, the pattern over the next several months will unquestionably bear the stamp "*made by the Board of Governors of the Federal Reserve*."

LABOR FORCE AND UNEMPLOYMENT

Washington's jobless rate jumped in November from 5.7 percent to 6.3 percent of the workforce - the highest for the month in four years. Vancouver and the Central Puget Sound economies showed little change, but the balance of the state mounted sharply as the resource-based industries retrenched seasonally. The overall rate registered better than a full percentage point above the prior-year level of 5.2 percent and converged upon the national average at 6.6 percent for the month.

The state was tracking fully a percentage point below the national jobless rate as late as September. But as the economy has slowed, the divergence between the state and the nation has progressively narrowed. Certainly, there are vast portions of the state where the percentage of unemployed continues to be low by any historical standard. The Seattle PMSA and much of the surrounding area are a case in point. At the same time outlying areas (particularly those heavily dependent upon forest products) definitely show some fallout from the national recession.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Nov 1991 *Preliminary*	Oct 1991 *Revised*	Nov 1990
Resident Civilian Labor Force	2,458,100	2,498,900	2,478,100
Employment	2,304,400	2,356,800	2,349,800
Unemployment	153,700	142,100	128,300
Unemployment Rate	6.3%	5.7%	5.2%
National Unemployment Rate	6.6%	6.4%	5.8%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Total nonfarm wage and salary employment dropped over the month by 4,800 workers. The reduction was the biggest for November in five years and contrasted with a net *gain* of 9,000 on average from 1988 to 1990. Impacts stemming from a sluggish consumer sector converged with the usual heavy seasonal losses throughout the economy to pull employment down sharply in construction (-6,800) and services (3,100). All segments of construction were down: general building (1,400), public works (-1,900), and special trades (-3,600). Meanwhile, services suffered a heavy blow with a 1,200-worker loss at temporary help agencies - the first sizable reduction for the sector for the month on record.

Understandably, demand for temporary personnel has both a seasonal and a cyclical dimension. Hiring tends to build through the year to a peak sometime in either late fall or early winter depending upon the precise timing requirements of business. But beyond the normal seasonal pattern, hiring accelerates during a period of economic expansion and, conversely, draws down sharply as the economy slows. There is immediate flexibility in cutting temporary help as opposed to dismissing full-time staff. And as a result, this industry over time has acted very much as a key barometer of the overall business pulse.

Seasonal Pluses

All was not off in November. Gains were reported in wholesale and retail trade (+2,100) and state and local government (+8,900). Both reflected seasonal upticks. Buildup of temporary help for the Christmas buying season impacted the former, drawing payrolls in retail trade up 3,700 over the month. The latter was split fairly evenly between additional staffing in education (+4,500) and temporary election help (+4,300).

Initial hiring for the holiday season essentially mirrored the degree of caution which has characterized the consumer sector throughout 1991. Job additions for the month were noticeably light. On average, between 5,000 and 7,000 workers hired into retailing in the month of November over the past five years. Nothing close to that occurred this year. Competition especially from discount and specialty stores has intensified with the recession. The fallout has been increasing market pressure on up-scale department stores, those very establishments which traditionally have provided the bulk of temporary holiday hiring.

Most Of Manufacturing Ebbs Lower

Payrolls in basic manufacturing fell 3,700 over the month. The loss, for the most part, centered in food products (-2,100) as the state's apple harvest came to a close.

Generally, the crop proved larger than expected, given the severity of weather conditions affecting both the winter and spring months. But delayed ripening bolstered the average size of the fruit and prices shot up owing to strong export demand. Processing employment for November looked normal.

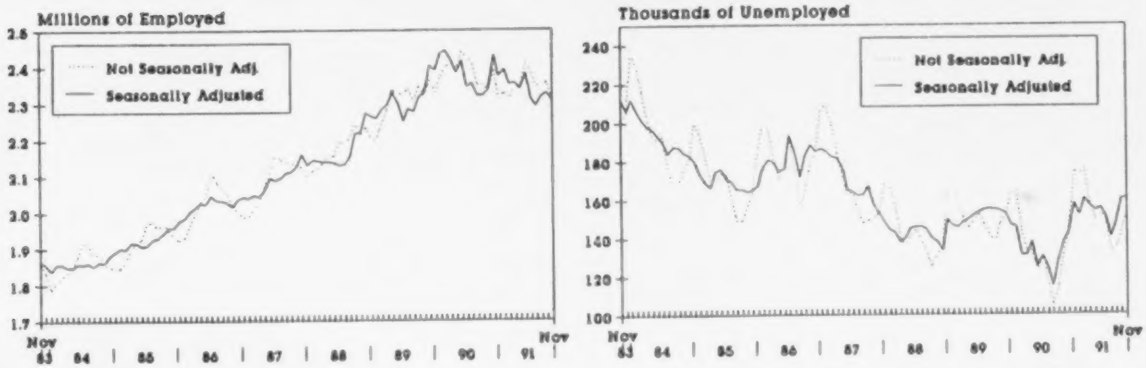
The same can be said for cutbacks in paper (-200) and lumber and wood products (-400). Both were affected by seasonal factors in November. On the other hand, machinery and equipment payrolls dropped by 300 and aerospace employment likewise fell by 300 over the month. Each of the latter resulted from factors other than seasonal and, in the case of aerospace, some structural impacts which are just now beginning to show up in the employment numbers. Military and space portions of the business have been squeezed recently by defense cuts. More is likely in the months ahead. And no longer is expansion on the commercial side serving to pick up the slack.

12-Month Growth Finally Heads South

Over the year, Washington's nonfarm employment was down 13,900 workers in November - the first year-to-year drop since 1983 when the state was just pulling out of the 1981-82 recession. The state entered 1991 with a 70,000-worker net increase which rapidly evaporated as the economy slowed. Construction (-11,200) and trade (-12,700) have led the shortfall, with manufacturing off a lesser 6,900. Ongoing strength at present remains centered basically in health services (+7,200) and state and local government (+15,000).

Both health and government are creatures of demographics more so than economics. Each responds in varying degrees to changes in the numbers and characteristics of the resident population, which in this case continues to rise at rates more than double the national average. In addition, an aging and more affluent population and a heightened awareness of issues relating to alcohol and drug abuse have intensified demand for basic health services and specialized clinical support.

Washington State Total Resident Employment and Unemployment
November 1983 - November 1991



Source: Employment Security Department

AREA TRENDS

Balance Of State Takes The Hit

Most population centers of the state showed higher unemployment in November than a month before. The only exceptions were no change in the Seattle PMSA (4.7 percent) and nearby Bremerton and Olympia MSAs (4.9 percent and 5.8 percent, respectively). On average, the metropolitan economies moved higher by four-tenths of one percentage point over the month from 5.4 percent to 5.8 percent of the workforce, up from 4.7 percent a year before. Bellingham (6.1 percent), Spokane (6.4 percent), Tacoma (6.3 percent), and Vancouver (6.5 percent) all hovered close to the statewide average. Any outsized differences were centered in the farm-dominated economies of Yakima (12.7 percent) and the Franklin County portion of the Tri-Cities (14.5 percent).

Meanwhile, the balance of the state hit the skids. The timber dependent counties saw unemployment mount from 8.7 percent in October to 9.6 percent in November and climbing. The rate registered a full percentage point higher than the year before. Those counties posting double-digit unemployment for the month included Grays Harbor (11.1 percent); Pacific (11.0 percent); Kittitas, Klickitat, and Lewis counties (10.6 percent, 10.9 percent, and 10.2

percent, respectively); and Skamania (18.9 percent). Joblessness in the agricultural economies of eastern Washington jumped to 8.8 percent in November.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Nov 1991	Oct 1991	Nov 1990
Washington State Total	6.3%	5.7%	5.2%
Metropolitan Areas	5.8%	5.4%	4.7%
Log & Lumber Areas	9.6%	8.7%	8.6%
All Western WA Areas	5.5%	5.5%	4.5%
All Eastern WA Areas	8.8%	6.5%	7.8%

Source: Employment Security Department

INDUSTRY NOTES

Weyerhaeuser Pulls The Plug In Everett

Weyerhaeuser will officially close its Everett pulp mill at the end of March, affecting 285 employees. The mill has been in jeopardy for several years, according to company spokesmen, and the loss of several million dollars in 1991 marked the final blow. Further investment in the aged facility looked to be unwarranted given poor market conditions generally affecting the pulp and paper industry. Weyerhaeuser has two other operating pulp mills in Washington at Longview and Cosmopolis.

Skamania On The Ropes

The largest employer in Skamania County, Stevenson Co-Ply, is scheduled to throw in the towel at the end of January, idling 175 workers. Roughly 75 were laid off a year ago. Stevenson is a town of 1,150, and Skamania County has posted the highest unemployment rate of any county in the state in recent years. Restrictions on logging boosted wood costs above the price of plywood, according to a company statement. The firm was founded in 1953 and reorganized as co-op in 1956.

Hanford Could Gain Big

Under the Department of Energy's proposed budget, funding for environmental cleanup at Hanford and the other defense production sites across the county could be increased by a quarter to $5.5 billion in fiscal year 1993. The

White House statement indicated that spending in the next fiscal year, if approved, would be sufficient to meet the department's legal requirements under cleanup agreements with the various states and the federal Environmental Protection Agency. Of the $4.4 billion in funding for waste management and environmental cleanup in the current fiscal year, slightly more than $1 billion has been allocated to Hanford.

NATIONAL INDICATORS

Manufacturing Grinds To A Halt

The nation's manufacturing sector has stalled after rallying in the wake of the Gulf War and leading to a burst of euphoria that the recession had ended. Production at the nation's factories, mines, and utilities slumped sharply in virtually every major category in November. The Federal Reserve's index of industrial output fell 0.4 percent over the month following three months of basically no change. Overall capacity utilization also dropped to 79.1 percent from 79.6 percent in October.

Recession Pulls Down The Trade Deficit

The U.S. trade deficit dropped to the lowest level in nearly nine years in November, thanks to the recession's tight grip. Weak demand for imported goods slashed the deficit by 44 percent over the month to $3.57 billion - the smallest since March 1983. The Commerce Department reported that imports fell to $41.03 billion, overshadowing a small gain in exports to a record $37.46 billion.

Thaw Not Likely Till Spring

Meanwhile, the nation's chief economic forecasting gauge suffered its biggest drop in ten months in November. The Commerce Department's Index of Leading Indicators plunged 0.3 percent over the month - the worst since January. The index of 11 forward business barometers had been racing ahead earlier in the year, but slowed beginning in August.

Inflation Remains The One Bright Spot

Out of all this has come a halving in the rate of inflation. The overall consumer price index rose 0.4 percent in November with the core rate of inflation (excluding food and energy) climbing 0.3 percent. Over the year, the rate of increase measured 2.9 percent compared to 6.4 percent a year before.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Nov 91	Oct 91	Nov 90	Oct 91	Nov 90
	137.8	137.4	133.8	0.3%	3.0%
Seattle†	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1990	Jul-Dec 1990	Jan-Jun 1990
	133.0	129.4	124.2	2.8%	7.1%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Nov 1991 (Prel)	Oct 1991 (Rev)	Nov 1990 (Rev)	Oct 1990 (Rev)	Numeric Change Oct 1991 to Nov 1991	Numeric Change Nov 1990 to Nov 1991
Total Nonagricultural Wage & Salary	2,190.9	2,195.7	2,204.8	2,198.9	-4.8	-13.9
Manufacturing	363.2	366.9	370.1	372.7	-3.7	-6.9
Durable Goods	253.6	254.9	260.1	260.9	-1.3	-6.5
Lumber & Wood Products	37.1	37.5	39.5	40.5	-0.4	-2.4
Logging	8.9	9.2	10.0	10.3	-0.3	-1.1
Sawmills & Plywood	24.6	24.6	25.8	26.3	0.0	-1.2
Furniture & Fixtures	3.9	3.9	4.2	4.2	0.0	-0.3
Stone, Clay & Glass	7.6	7.7	7.6	7.7	-0.1	0.0
Primary Metals	12.0	12.1	12.9	12.9	-0.1	-0.9
Aluminum	8.5	8.5	8.8	8.9	0.0	-0.3
Fabricated Metals	12.6	12.8	12.5	12.7	-0.2	0.1
Industrial Machinery & Equipment	19.0	19.2	20.4	20.5	-0.2	-1.4
Computer & Office Equipment	6.2	6.3	6.5	6.4	-0.1	-0.3
Electronic & Other Electrical Equipment	11.9	12.0	11.7	11.7	-0.1	0.2
Transportation Equipment	129.4	129.7	130.5	129.9	-0.3	-1.1
Aircraft & Parts	116.7	117.0	116.6	115.9	-0.3	0.1
Instruments & Related	13.7	13.7	14.0	14.2	0.0	-0.3
Miscellaneous Manufacturing	6.4	6.3	6.8	6.6	0.1	-0.4
Nondurable Goods	109.6	112.0	110.0	111.8	-2.4	-0.4
Food & Kindred Products	38.3	40.4	39.0	40.5	-2.1	-0.7
Preserved Fruits & Vegetables	13.9	15.8	13.8	15.4	-1.9	0.1
Textiles, Apparel & Leather	7.9	7.9	8.3	8.4	0.0	-0.4
Paper & Allied Products	17.6	17.8	17.7[2]	17.8[2]	-0.2	-0.1
Printing & Publishing	22.9	22.9	22.7	22.7	0.0	0.2
Chemicals & Allied Products	13.9	13.8	13.3	13.3	0.1	0.6
Petroleum, Coal & Plastics	9.0	9.2	9.0	9.1	-0.2	0.0
Mining & Quarrying	3.6	3.7	3.8	3.9	-0.1	-0.2
Construction	112.9	119.7	124.1	127.9	-6.8	-11.2
General Building Contractors	32.1	33.5	37.1	38.4	-1.4	-5.0
Heavy Construction, except Buildings	16.2	18.1	16.8	18.4	-1.9	-0.6
Special Trade Contractors	64.6	68.2	70.2	71.1	-3.6	-5.6
Transportation, Communications & Utilities	114.2	115.0	116.1	115.9	-0.8	-1.9
Transportation	79.3	80.0	81.0	80.9	-0.7	-1.7
Trucking & Warehousing	32.1	33.1	33.2	33.1	-1.0	-1.1
Water Transportation	9.9	9.2	9.7	9.6	0.7	0.2
Transportation by Air	15.9	15.9	15.8	16.0	0.0	0.1
Communications	24.8	25.0	25.4	25.3	-0.2	-0.6
Electric, Gas & Sanitary Services	10.1	10.0	9.7	9.7	0.1	0.4
Wholesale & Retail Trade	519.6	517.5	532.3	528.4	2.1	-12.7
Wholesale Trade	127.9	129.5	130.9	132.3	-1.6	-3.0
Retail Trade	391.7	388.0	401.4	396.1	3.7	-9.7
General Merchandise	39.7	37.8	41.2	38.4	1.9	-1.5
Food Stores	63.8	63.9	65.8	66.1	-0.1	-2.0
Eating & Drinking	142.5	143.4	144.6[2]	145.2	-0.9	-2.1
Finance, Insurance & Real Estate	116.8	117.7	118.3	118.4	-0.9	-1.5
Finance	51.2	51.0	51.7	51.6	0.2	-0.5
Services	529.6	532.7	525.5	525.5	-3.1	4.1
Hotels & Lodging	25.0	25.6	26.9	26.9	-0.6	-1.9
Personal Services	21.2	21.2	21.8	21.9	0.0	-0.6
Business Services	88.4	90.2	89.5	89.9	-1.8	-1.1
Health Services	158.9	158.4	151.7	151.9	0.5	7.2
Educational Services	25.9	25.4	24.9	24.3	0.5	1.0
Social Services	37.1	37.1	35.3	35.1	0.0	1.8
Engineering & Management Services	48.4	48.4	46.8	46.6	0.0	1.6
Government	431.0	422.5	414.6	406.2	8.5	16.4
Federal	73.1	73.5	71.7	72.3	-0.4	1.4
State	125.8	125.0	119.1	119.2	0.8	6.7
State Education	66.6	65.4	63.4	63.0	1.2	3.2
Local	232.1	224.0	223.8	214.7	8.1	8.3
Local Education	124.1	120.8	118.6	115.7	3.3	5.5
Workers in Labor-Management Disputes	0.0	0.0	1.1	0.3	0.0	-1.1

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

Resident Labor Force and Employment in Washington State and Labor Market Areas

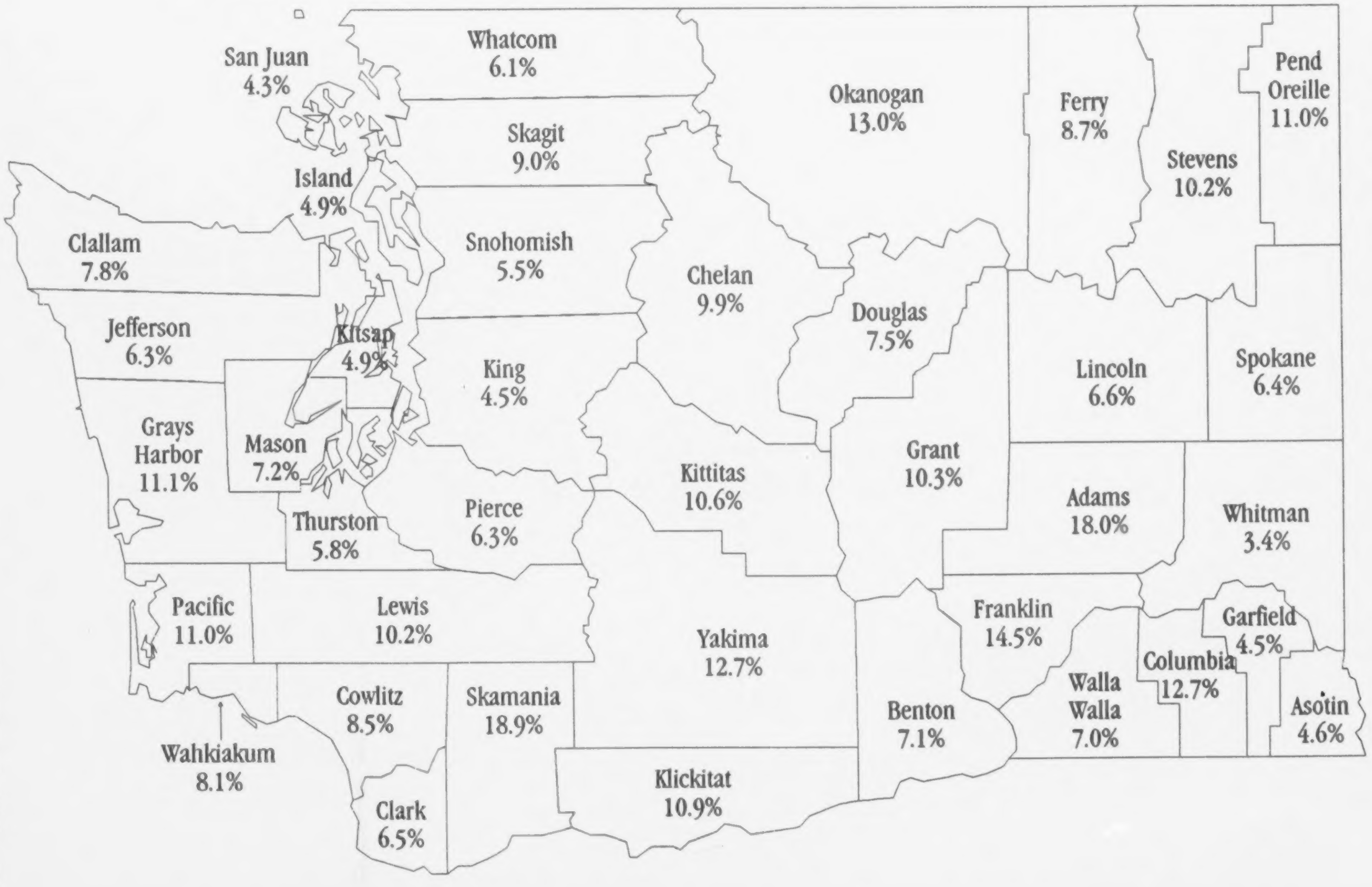
Date: 1/7/92
Benchmark: 1990

	November 1991 Preliminary†				October 1991 Revised†				November 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,458,100	2,304,400	153,700	6.3	2,498,900	2,356,800	142,100	5.7	2,478,100	2,349,800	128,300	5.2
Bellingham MSA	69,300	65,100	4,200	6.1	69,700	65,900	3,800	5.5	68,600	65,100	3,500	5.1
Bremerton MSA	83,200	79,100	4,100	4.9	83,500	79,400	4,100	4.9	82,300	78,500	3,800	4.6
Olympia MSA	82,400	77,600	4,800	5.8	84,800	79,800	5,000	5.9	83,200	78,700	4,500	5.4
Seattle PMSA	1,115,800	1,063,400	52,400	4.7	1,115,200	1,063,200	52,000	4.7	1,123,800	1,083,600	40,200	3.6
King County ‡	879,700	840,200	39,500	4.5	879,900	840,000	39,900	4.5	886,600	856,200	30,400	3.4
Snohomish County ‡	236,200	223,200	13,000	5.5	235,300	223,200	12,100	5.1	237,400	227,500	9,900	4.2
Spokane MSA	172,500	161,500	11,000	6.4	171,700	161,500	10,200	5.9	171,700	162,700	9,000	5.2
Tacoma PMSA	244,700	229,200	15,500	6.3	247,000	231,700	15,300	6.2	253,700	240,900	12,800	5.0
Tri-Cities MSA	71,900	65,500	6,400	8.9	74,700	69,800	4,900	6.6	71,000	65,200	5,800	8.2
Benton County ‡	55,200	51,300	3,900	7.1	58,100	54,600	3,500	6.0	54,700	51,100	3,600	6.6
Franklin County ‡	16,600	14,200	2,400	14.5	16,600	15,200	1,400	8.4	16,400	14,200	2,200	13.4
Vancouver PMSA	126,100	117,900	8,200	6.5	127,200	119,200	8,000	6.3	128,000	121,600	6,400	5.0
Yakima MSA	93,200	81,400	11,800	12.7	105,500	97,300	8,200	7.8	94,200	83,200	11,000	11.7
Adams	7,660	6,280	1,380	18.0	7,970	7,450	520	6.5	6,790	5,960	830	12.2
Asotin	8,940	8,530	410	4.6	9,510	9,110	400	4.2	9,340	8,950	390	4.2
Clallam	22,960	21,160	1,800	7.8	23,380	21,770	1,610	6.9	23,870	21,830	2,040	8.5
Columbia	1,260	1,100	160	12.7	1,270	1,130	140	11.0	1,260	1,080	180	14.3
Cowlitz	37,740	34,550	3,190	8.5	38,970	35,540	3,430	8.8	38,670	35,880	2,790	7.2
Ferry	3,120	2,850	270	8.7	3,140	2,920	220	7.0	3,200	2,980	220	6.9
Garfield	890	850	40	4.5	950	910	40	4.2	910	870	40	4.4
Grant	26,550	23,810	2,740	10.3	28,570	26,600	1,970	6.9	25,710	23,050	2,660	10.3
Grays Harbor	25,710	22,850	2,860	11.1	25,550	22,840	2,710	10.6	26,160	23,420	2,740	10.5
Island	22,020	20,950	1,070	4.9	21,970	20,940	1,030	4.7	21,610	20,720	890	4.1
Jefferson	8,720	8,170	550	6.3	8,850	8,300	550	6.2	8,760	8,250	510	5.8
Kittitas	12,700	11,360	1,340	10.6	13,060	11,950	1,110	8.5	11,990	11,050	940	7.8
Klickitat	7,880	7,020	860	10.9	7,990	7,340	650	8.1	7,600	6,800	800	10.5
Lewis	22,960	20,620	2,340	10.2	23,010	20,450	2,560	11.1	24,390	22,360	2,030	8.3
Lincoln	3,920	3,660	260	6.6	4,090	3,880	210	5.1	3,970	3,760	210	5.3
Mason	15,260	14,160	1,100	7.2	16,440	15,180	1,260	7.7	15,330	14,500	830	5.4
Okanogan	16,970	14,770	2,200	13.0	22,320	20,810	1,510	6.8	16,810	14,830	1,980	11.8
Pacific	7,110	6,330	780	11.0	7,160	6,390	770	10.8	7,490	6,730	760	10.1
Pend Oreille	3,100	2,760	340	11.0	3,200	2,850	350	10.9	3,190	2,790	400	12.5
San Juan	5,760	5,510	250	4.3	6,030	5,810	220	3.6	5,720	5,520	200	3.5
Skagit	40,140	36,520	3,620	9.0	40,480	37,320	3,160	7.8	39,560	36,500	3,060	7.7
Skamania	2,120	1,720	400	18.9	2,140	1,740	400	18.7	2,110	1,820	290	13.7
Stevens	11,320	10,160	1,160	10.2	11,450	10,400	1,050	9.2	11,090	9,990	1,100	9.9
Wahkiakum	1,230	1,130	100	8.1	1,270	1,140	130	10.2	1,170	1,050	120	10.3
Walla Walla	22,980	21,380	1,600	7.0	23,230	22,040	1,190	5.1	23,180	21,920	1,260	5.4
Wenatchee Labor Area	41,680	37,880	3,800	9.1	48,960	46,130	2,830	5.8	43,170	39,620	3,550	8.2
Chelan County ‡	27,870	25,110	2,760	9.9	32,620	30,580	2,040	6.3	28,670	26,260	2,410	8.4
Douglas County ‡	13,810	12,770	1,040	7.5	16,340	15,550	790	4.8	14,490	13,350	1,140	7.9
Whitman	18,290	17,660	630	3.4	18,660	18,120	540	2.9	18,510	18,000	510	2.8

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

November 1991 Unemployment Rates

State of Washington = 6.3%


Whatcom 6.1%
San Juan 4.3%
Okanogan 13.0%
Ferry 8.7%
Pend Oreille 11.0%
Skagit 9.0%
Stevens 10.2%
Island 4.9%
Clallam 7.8%
Snohomish 5.5%
Chelan 9.9%
Douglas 7.5%
Jefferson 6.3%
Kitsap 4.9%
King 4.5%
Lincoln 6.6%
Spokane 6.4%
Grays Harbor 11.1%
Mason 7.2%
Grant 10.3%
Kittitas 10.6%
Adams 18.0%
Whitman 3.4%
Thurston 5.8%
Pierce 6.3%
Pacific 11.0%
Lewis 10.2%
Franklin 14.5%
Garfield 4.5%
Yakima 12.7%
Columbia 12.7%
Walla Walla 7.0%
Asotin 4.6%
Cowlitz 8.5%
Skamania 18.9%
Benton 7.1%
Wahkiakum 8.1%
Klickitat 10.9%
Clark 6.5%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary November Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Nov 91	Oct 91	Nov 90	Nov 91	Oct 91	Nov 90	Nov 91	Oct 91	Nov 90
Total Manufacturing Industries†	211,187	$543.84	$544.56	$519.16	39.9	40.1	39.6	$13.63	$13.58	$13.11
Selected Manufacturing Industries										
Lumber and Wood Products	30,512	$478.80	$464.01	$435.61	39.9	38.7	37.2	$12.00	$11.99	$11.71
Primary Metal Industries	9,404	$596.49	$590.79	$573.95	41.8	41.9	42.8	$14.27	$14.10	$13.41
Fabricated Metal Products	10,026	$530.33	$526.24	$486.02	41.4	41.6	40.3	$12.81	$12.65	$12.06
Machinery	19,028	$441.28	$434.51	$443.15	39.4	38.9	41.3	$11.20	$11.17	$10.73
Food and Kindred Products	27,885	$378.23	$399.38	$358.54	36.9	39.7	36.4	$10.25	$10.06	$9.85
Chemical and Allied Products	4,515	$723.98	$721.49	$665.92	43.3	43.1	42.2	$16.72	$16.74	$15.78
Transportation Equipment	56,145	$712.65	$712.14	$681.18	41.7	41.5	42.1	$17.09	$17.16	$16.18
Selected Nonmanufacturing Industries										
Construction	76,908	$665.31	$696.68	$637.63	36.9	38.3	36.9	$18.03	$18.19	$17.28
Wholesale and Retail Trade (Includes eating and drinking establishments)	461,433	$300.17	$297.99	$283.66	31.3	31.4	30.6	$9.59	$9.49	$9.27

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

January 1992

Highlights

Out More Like A Lamb Than A Lion

The most recent holiday season contrasted sharply with the prior one in many respects. December of 1990 witnessed some of the most severe winter conditions in years. Many holiday shoppers found themselves unable to get home, let alone trek off to the malls. And fourth quarter taxable retail sales in real terms were basically flat when stacked up against a year before. This year, Washington was beset with comparatively warm and wet weather conditions (a possible El Nino according to the U.S. Weather Service). Malls were generally crowded and, try as he may, the Recession Grinch could not fully snatch the holiday spirit out of the pockets of regional shoppers.

Volume 16, Number 1

Though some wags claim that the *Bag-Index* (the number of parcels and bags actually carried home) did not bode well for retailers, many mid-priced and discount outlets did a brisk business. Value was the name of the game, and the war-cry of the shopping public was, "Only fools pay full retail price!" While the recession stayed very much on the minds of consumers, the reality of Washington's better-than-national performance and end-of-the-year bonuses finally tipped the scale.

Retailers, nonetheless, remained cautious throughout the season. Consumer confidence coming into the period had dropped to lows not seen since the 1981-82 recession. And retailing generally was lethargic. Sales were instituted early to attract volume and hiring was kept close to the vest. The bottom line was probably a better performance than a year ago for retailers generally, despite the ominous clouds coming into the season.

LABOR FORCE AND UNEMPLOYMENT

December's rate of joblessness rose both seasonally and even after adjusting for seasonality. It is to be expected that unemployment takes a significant jump in the fall and winter months when outdoor activities become impaired by inclement weather. But, when joblessness increases even after adjusting out the normal seasonal pattern, there is no doubt but what the economy is soft. Such was the case in December when the unemployment rate in Washington mounted sharply to 6.9 percent - the highest for the month in four years. The final quarter of the year showed three successive months of increasingly greater unemployment and the seasonally adjusted rate rose four successive months to a high of 6.8 percent in December.

Because of the high degree of seasonality in Washington's economy, the non-adjusted unemployment rates are comparable only year-over-year. Seasonally adjusted rates, on the other hand, are comparable from month-to-month. With that in mind, the last time Washington's seasonally adjusted unemployment rate was 6.8 percent was in

December 1987. However, at that time the rate was trending down; as of December 1991, it was trending higher.

It is likely that Washington's labor market boom has run its course. For almost two years, the state unemployment rate had bettered that of the nation. There were even several months in which Washington's jobless rate fell below the national average by as much as a full percentage point. Throughout the fall, and particularly in December, the rates converged. This appears to represent a return to a more traditional labor market setting in which the unemployment swings of the seasonal industries are not being camouflaged by outsized growth in the balance of the state.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Dec 1991 *Preliminary*	Nov 1991 *Revised*	Dec 1990
Resident Civilian Labor Force	2,491,600	2,459,500	2,533,500
Employment	2,320,300	2,304,900	2,391,000
Unemployment	171,300	154,600	142,500
Unemployment Rate	6.9%	6.3%	5.6%
National Unemployment Rate	6.8%	6.6%	5.9%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Nonfarm wage and salary employment dropped in December by 16,700 - the heaviest for the month on record. Roughly 4,300 of the total represented the loss of election workers hired briefly in November. Still, the balance remained sizable. Losses in government (-4,600 aside from election workers) and construction (-3,100) were fairly typical for the period. Adjustments in state and local education (-2,300) largely reflected timing between quarters at colleges and universities. And cutbacks in the building trades (-2,000) and transportation services were also basically seasonal in nature.

The biggest change from past Decembers was the relatively modest buildup which took place in retail trade. Additions of 2,500 were recorded for the month rather than 6,500 which were commonplace in the previous five years. The result was less than normal offset at a time of sharp seasonal retrenchment elsewhere in the economy. For the most part, consumer caution was the watchword of 1991 and retailers simply responded accordingly.

Services Balance Out

Services payrolls were basically unchanged. Employment inched higher by 100 workers on balance as the month-to-month pattern of individual industries largely countered one another. Losses in temporary help services (-900), agricultural services (-400) and private education (-400) were purely seasonal trends typical for the month of December. Likewise, a gain of 500 in amusement and recreation reflected wintertime buildup on the area's ski slopes.

Health services, meanwhile, mounted by 600 over the month. And over-the-year registered 6,800 workers higher - the biggest increase of any private sector of the economy. Staffing in the industry has jumped at a 4.5 percent compound annual rate in the past five years and continues virtually unabated to the present. All major groupings have contributed at practically the same pace. Additional hospital and clinic space is being put in place and specialized treatment facilities are proliferating. Not only is demand being pushed by a growing and aging population but a quantum leap in public awareness of preventative health care and current health care issues.

Manufacturing Toes The Line

Payrolls in manufacturing fell 4,100 in December. Most of the month-to-month reduction centered in food processing (-2,600) and lumber and wood products(-900) owing to the particular time of year. But adding to the total was a 400-worker drawdown in aerospace - the fourth straight monthly pullback from a high of 117,100 in August. Weakness in the military and space portions of the business are largely behind the numbers. Although some slippage in the 737 production levels is also scheduled for 1992.

Boeing just recently announced plans to cut 6,500 workers from its company payrolls in Washington over the next 12 months. If fully a reduction in force, this would translate into the first significant cutback for the aerospace giant in nine years. But normal attrition should take up much of the slack. And that alone should lessen the overall impact.

Moreover, any adjustment is against a very high base. Aerospace employment built to an all-time peak of 118,700 in January 1990 and still registers in the neighborhood of 116,000. Boeing's commercial backlog, excluding options, totals 1,665 planes - roughly four years of steady production - even taking into account recent pullbacks by United and American Airlines. Further holding up the total is the fact that 60 percent of the backlog is to foreign buyers, which at present are performing stronger than their U.S. counterparts.

In the latest released long-range forecasts, Boeing perceives no deterioration in the prospect of commercial aviation growth. It expects a three-fold increase in passenger traffic by 2010 and worldwide aircraft sales totalling $857 billion over the next 18 years. Boeing dismissed the current aviation slump as a short-term aberration. And predicts that passenger loads on domestic flights would be rising between 5 and 7 percent by 1994 and 8.6 percent overall. Boeing assumes it will capture 55 percent of total commercial aviation sales with McDonnell Douglas at 20 percent and Airbus Industrie at 16 percent.

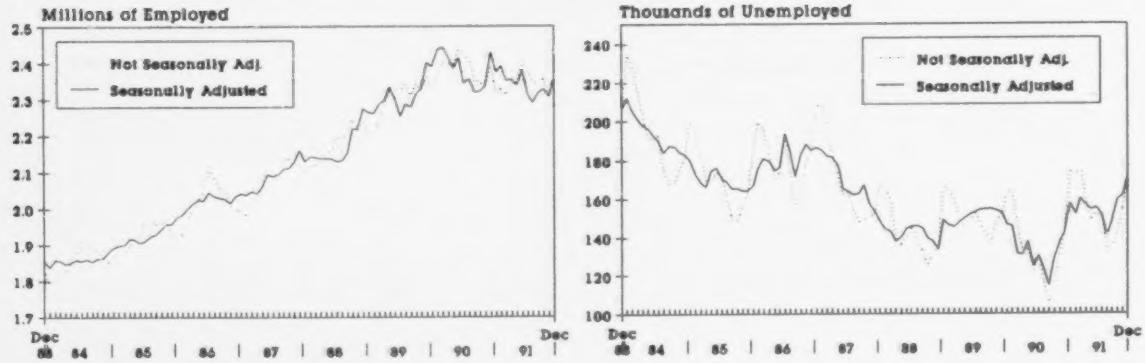
Over-The-Year Comparisons Soften

Washington's nonfarm employment was down 15,900 workers in the 12 months ending in December. This was the second month in a row with lower than prior-year job totals after eight years of year-to-year gains. Construction (-10,600) and trade (-13,700) have led the shortfall, with manufacturing off by 6,800 workers. Only services (+4,300) and government (+15,800) showed positive year-over-year job growth in the latest month.

Manufacturing has been a mixed bag ever since the economic slowdown began. However, in contrast to sharp retrenchment nationally, many key sectors in Washington have held up well. Understandably, lumber and wood products employment (-2,700) is off. Likewise, some softness has come in primary metals (-800) and industrial machinery (-1,600). But high-tech manufacturing has held its own: aerospace, electronics and instruments. And gains have been realized in printing and publishing (+500) and the Hanford portion of chemicals and allied products (+500).

These are the reasons why Washington, by and large, has skirted the brunt of the national recession. Impacts coming out of the downturn have been selective both in terms of industries and in terms of areas affected. Certainly, housing and retailing mirror the broader economic picture. And those industries serving predominately national markets have been hit. But offsetting those trends has been the growth in export markets and continued high levels of net inmigration. Services capacity in the state has proceeded to expand and the degree of relative stability in major portions of manufacturing has been a major plus.

Washington State Total Resident Employment and Unemployment
December 1983 - December 1991



Source: Employment Security Department

AREA TRENDS

Ratcheting To Seasonal Highs

The eastern side of the state took its typical fall-to-winter respite. Twelve of the twenty counties recorded unemployment rates in double-digits for December, reflecting the heavy dependency of the area on the resource-based industries of agriculture and forest products. The average rate heightened over the month from 8.8 percent to 9.7 percent - up one percentage point from a year before.

Even more dramatic was the swing over-the-month in the those counties officially designated as timber-dependent. Area unemployment jumped from 9.5 percent to 11.1 percent in December and registered better than one-and-a-half percentage points greater than a year before. The range was from 8.8 percent in Cowlitz County to 23.4 percent in neighboring Skamania County. Most were in double-digits.

In contrast, the metropolitan areas moved less owing to more diversified economies. Unemployment on average heightened by half a percentage point from 5.8 percent to 6.2 percent in December. The Seattle PMSA had the lowest jobless rate in the state at 5.1 percent, with Spokane and Tacoma at 6.5 percent and 7.0 percent, respectively. Most of the others clustered near the statewide average with the exception of farm-dominated Yakima and the Franklin County portion of the Tri-Cities, both ratcheting to seasonal highs.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Dec 1991	Nov 1991	Dec 1990
Washington State Total	6.9%	6.3%	5.6%
Metropolitan Areas	6.2%	5.8%	5.0%
Log & Lumber Areas	11.1%	9.5%	9.5%
All Western WA Areas	6.1%	5.6%	4.8%
All Eastern WA Areas	9.7%	8.8%	8.7%

Source: Employment Security Department

INDUSTRY NOTES

PACCAR's Plant Now A-Go

Pacific Car and Foundry's planned new $80 million heavy truck plant in Renton will go into construction beginning in March. When completed in about a year, the facility will employ up to 800 workers. Some of the staffing will simply be transferred from the existing Tukwila plant - the size of the remaining work force will depend upon existing market conditions. Paccar had sought to build an additional plant on the site in 1989 but shelved the plans when the heavy truck business turned down with the recession.

Putting Numbers on the Homebuilding Slide

Construction of new homes in the central Puget Sound area last year plummeted to the lowest in a decade. Compared to 1990, the number of single-family building permits issued in King, Pierce and Snohomish counties dropped by approximately a quarter in each county. Even heavier was a hit of 66 percent, 80 percent and 84 percent, respectively, on multifamily construction. Builders charge not only the recession but stringent financing requirements as the cause for the shortfall in 1991. Demand is expected to push apartment vacancy rates in the tri-county area below 5.5 percent this spring and put added pressure on rents.

United Reviews Its Options

Boeing's number one customer - United Airlines - has delayed $6.7 billion in orders and options as a result of the current economic slump. United suffered record losses in 1991 and will defer purchasing 122 Boeing aircraft - mostly 737 and 757 jetliners - beginning in 1993. By deferring options, United's action does not materially affect Boeing's backlog of firm orders which at the end of 1991 totaled $97.9 billion.

NATIONAL INDICATORS

GDP Looking Better

The nation's economy grew at a slightly better pace in the final quarter of 1991 than originally estimated. The Commerce Department's latest revision of real gross domestic product pegs the gain for the last three months of the year at 0.8 percent rather than 0.3 percent. Much of the upward adjustment came from a buildup of inventories - not a particularly encouraging sign. However, total output of goods and services has now expanded for three consecutive quarters, growing at rates of 1.4 percent, 1.8 percent and 0.8 percent. Meanwhile, inflation remains well under control with the GDP deflator rising over the quarter at an annual rate of only 1.7 percent - the best since 1965.

But Not Yet Out Of The Woods

At the same time, the nation's index of leading indicators fell 0.3 percent in December. This marked the third decline in four months and the second in a row for the official gauge of future economic activity. The pattern basically reinforced analysts' perceptions that the economy will not turnaround significantly until sometime before late spring or early summer. Only housing is showing notable signs of life, buoyed principally by low interest rates.

Exports To The Fore

Foreign exports are credited with undergirding the economy at a time of sharp pullback in domestic demand. Economic output of the U.S. fell 0.7 percent on average in 1991. But exports surged almost 7 percent. Sales to the 12-nation European Community soared 8.5 percent in the first seven months of last year to an annual level of $105 billion, outpacing exports to Canada ($85 billion) and Japan ($49 billion). High-technology exports, including aircraft and electronics, topped the list in terms of export growth over the year. And the weak U.S. dollar should contribute to further gains in 1992.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Dec 91	Nov 91	Dec 90	Nov 91	Dec 90
	137.9	137.8	133.8	0.1%	3.1%
Seattle†	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1990	Jul-Dec 1990	Jan-Jun 1990
	133.0	129.4	124.2	2.8%	7.1%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco and Robert Wm. Baker
Senior Staff Economists

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Dec 1991 (Prel)	Nov 1991 (Rev)	Dec 1990 (Rev)	Nov 1990 (Rev)	Numeric Change Nov 1991 to Dec 1991	Numeric Change Dec 1990 to Dec 1991
Total Nonagricultural Wage & Salary	2,176.6	2,193.3	2,192.5	2,204.8	-16.7	-15.9
Manufacturing	359.0	363.1	365.8	370.1	-4.1	-6.8
Durable Goods	251.5	253.4	258.5	260.1	-1.9	-7.0
Lumber & Wood Products	36.1	37.0	38.8	39.5	-0.9	-2.7
Logging	8.6	8.9	9.7	10.0	-0.3	-1.1
Sawmills & Plywood	24.0	24.5	25.4	25.8	-0.5	-1.4
Furniture & Fixtures	3.8	3.9	4.1	4.2	-0.1	-0.3
Stone, Clay & Glass	7.4	7.6	7.5	7.6	-0.2	-0.1
Primary Metals	12.0	12.0	12.8	12.9	0.0	-0.8
Aluminum	8.5	8.5	8.9	8.8	0.0	-0.4
Fabricated Metals	12.2	12.4	12.4	12.5	-0.2	-0.2
Industrial Machinery & Equipment	18.9	19.0	20.5	20.4	-0.1	-1.6
Computer & Office Equipment	6.2	6.2	6.6	6.5	0.0	-0.4
Electronic & Other Electrical Equipment	11.8	11.9	11.8	11.7	-0.1	0.0
Transportation Equipment	129.1	129.5	130.2	130.5	-0.4	-1.1
Aircraft & Parts	116.3	116.7	116.4	116.6	-0.4	-0.1
Instruments & Related	13.7	13.7	13.6	14.0	0.0	0.1
Miscellaneous Manufacturing	6.5	6.4	6.8	6.8	0.1	-0.3
Nondurable Goods	107.5	109.7	107.3	110.0	-2.2	0.2
Food & Kindred Products	35.7	38.3	36.3	39.0	-2.6	-0.6
Preserved Fruits & Vegetables	11.6	13.9	11.2	13.8	-2.3	0.4
Textiles, Apparel & Leather	7.9	7.9	8.2	8.3	0.0	-0.3
Paper & Allied Products	17.8	17.8	17.7[2]	17.7[2]	0.0	0.1
Printing & Publishing	23.2	22.8	22.7	22.7	0.4	0.5
Chemicals & Allied Products	13.9	13.9	13.4	13.3	0.0	0.5
Petroleum, Coal & Plastics	9.0	9.0	9.0	9.0	0.0	0.0
Mining & Quarrying	3.5	3.6	3.7	3.8	-0.1	-0.2
Construction	110.0	113.1	120.6	124.1	-3.1	-10.6
General Building Contractors	31.9	32.3	36.4	37.1	-0.4	-4.5
Heavy Construction, except Buildings	15.1	16.2	15.3	16.8	-1.1	-0.2
Special Trade Contractors	63.0	64.6	68.9	70.2	-1.6	-5.9
Transportation, Communications & Utilities	112.9	114.0	116.3	116.1	-1.1	-3.4
Transportation	78.0	79.1	81.1	81.0	-1.1	-3.1
Trucking & Warehousing	31.4	32.0	33.2	33.2	-0.6	-1.8
Water Transportation	9.5	9.8	9.7	9.7	-0.3	-0.2
Transportation by Air	16.1	15.9	15.7	15.8	0.2	0.4
Communications	24.8	24.8	25.4	25.4	0.0	-0.6
Electric, Gas & Sanitary Services	10.1	10.1	9.8	9.7	0.0	0.3
Wholesale & Retail Trade	522.0	521.5	535.7	532.3	0.5	-13.7
Wholesale Trade	126.2	128.2	130.4	130.9	-2.0	-4.2
Retail Trade	395.8	393.3	405.3	401.4	2.5	-9.5
General Merchandise	42.2	40.1	43.3	41.2	2.1	-1.1
Food Stores	63.9	63.9	65.8	65.8	0.0	-1.9
Eating & Drinking	141.6	142.5	144.4	144.6[2]	-0.9	-2.8
Finance, Insurance & Real Estate	117.0	117.0	118.3	118.3	0.0	-1.3
Finance	51.3	51.2	51.7	51.7	0.1	-0.4
Services	530.1	530.0	525.8	525.5	0.1	4.3
Hotels & Lodging	25.1	25.0	26.9	26.9	0.1	-1.8
Personal Services	21.1	21.2	21.8	21.8	-0.1	-0.7
Business Services	87.8	88.3	88.1	89.5	-0.5	-0.3
Health Services	159.6	159.0	152.8	151.7	0.6	6.8
Educational Services	25.4	25.8	24.6	24.9	-0.4	0.8
Social Services	37.5	37.3	35.5	35.3	0.2	2.0
Engineering & Management Services	48.5	48.4	47.0	46.8	0.1	1.5
Government	422.1	431.0	406.3	414.6	-8.9	15.8
Federal	73.0	73.2	71.6	71.7	-0.2	1.4
State	123.9	125.8	118.2	119.1	-1.9	5.7
State Education	65.0	66.6	62.2	63.4	-1.6	2.8
Local	225.2	232.0	216.5	223.8	-6.8	8.7
Local Education	123.3	124.0	118.6	118.6	-0.7	4.7
Workers in Labor-Management Disputes	0.0	0.0	0.3	1.1	0.0	-0.3

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

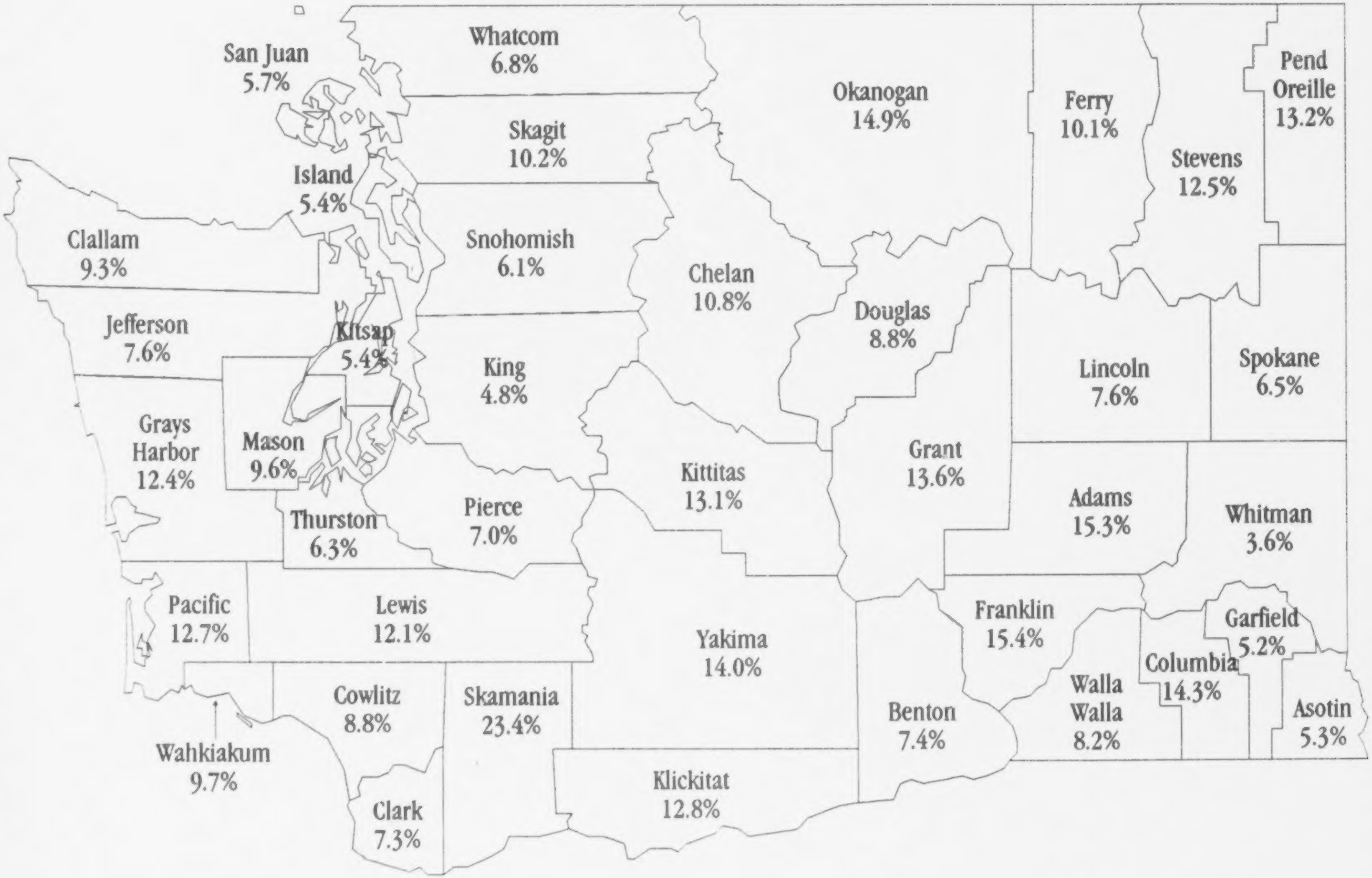
Date: 2/4/92
Benchmark: 1990

Resident Labor Force and Employment in Washington State and Labor Market Areas

	December 1991 Preliminary†				November 1991 Revised†				December 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,491,600	2,320,300	171,300	6.9	2,459,500	2,304,900	154,600	6.3	2,533,500	2,391,000	142,500	5.6
Bellingham MSA	70,400	65,600	4,800	6.8	69,300	65,100	4,200	6.1	70,200	66,200	4,000	5.7
Bremerton MSA	84,000	79,500	4,500	5.4	83,400	79,200	4,200	5.0	84,300	80,500	3,800	4.5
Olympia MSA	86,200	80,800	5,400	6.3	83,000	78,100	4,900	5.9	85,400	80,800	4,600	5.4
Seattle PMSA	1,129,100	1,071,800	57,300	5.1	1,115,400	1,062,700	52,700	4.7	1,150,100	1,105,400	44,700	3.9
King County ‡	889,700	846,800	42,900	4.8	879,400	839,600	39,800	4.5	906,600	873,400	33,200	3.7
Snohomish County ‡	239,500	225,000	14,500	6.1	236,000	223,100	12,900	5.5	243,500	232,000	11,500	4.7
Spokane MSA	173,700	162,400	11,300	6.5	172,400	161,400	11,000	6.4	176,900	166,400	10,500	5.9
Tacoma PMSA	247,000	229,700	17,300	7.0	244,400	228,800	15,600	6.4	257,300	243,100	14,200	5.5
Tri-Cities MSA	72,500	65,800	6,700	9.2	71,800	65,500	6,300	8.8	73,100	66,800	6,300	8.6
Benton County ‡	55,600	51,500	4,100	7.4	55,100	51,200	3,900	7.1	56,300	52,300	4,000	7.1
Franklin County ‡	16,900	14,300	2,600	15.4	16,600	14,200	2,400	14.5	16,800	14,500	2,300	13.7
Vancouver PMSA	127,500	118,200	9,300	7.3	125,800	117,400	8,400	6.7	130,500	123,700	6,800	5.2
Yakima MSA	95,100	81,800	13,300	14.0	93,900	82,100	11,800	12.6	96,000	84,100	11,900	12.4
Adams	7,390	6,260	1,130	15.3	7,430	6,270	1,160	15.6	7,120	5,930	1,190	16.7
Asotin	9,060	8,580	480	5.3	8,940	8,530	410	4.6	9,570	9,160	410	4.3
Clallam	23,320	21,140	2,180	9.3	22,970	21,140	1,830	8.0	24,290	22,040	2,250	9.3
Columbia	1,400	1,200	200	14.3	1,270	1,100	170	13.4	1,390	1,160	230	16.5
Cowlitz	38,430	35,040	3,390	8.8	37,870	34,790	3,080	8.1	39,390	36,400	2,990	7.6
Ferry	3,180	2,860	320	10.1	3,110	2,830	280	9.0	3,270	3,020	250	7.6
Garfield	960	910	50	5.2	910	870	40	4.4	950	880	70	7.4
Grant	26,820	23,180	3,640	13.6	26,890	23,860	3,030	11.3	25,790	22,820	2,970	11.5
Grays Harbor	26,450	23,170	3,280	12.4	25,570	22,740	2,830	11.1	27,000	24,130	2,870	10.6
Island	22,610	21,390	1,220	5.4	22,220	21,090	1,130	5.1	22,090	21,250	840	3.8
Jefferson	8,890	8,210	680	7.6	8,750	8,170	580	6.6	8,970	8,390	580	6.5
Kittitas	12,770	11,100	1,670	13.1	12,630	11,270	1,360	10.8	11,900	10,790	1,110	9.3
Klickitat	7,870	6,860	1,010	12.8	7,890	7,020	870	11.0	7,670	6,670	1,000	13.0
Lewis	23,650	20,790	2,860	12.1	22,860	20,540	2,320	10.1	25,320	22,830	2,490	9.8
Lincoln	3,930	3,630	300	7.6	3,930	3,670	260	6.6	4,020	3,770	250	6.2
Mason	16,750	15,150	1,600	9.6	15,960	14,810	1,150	7.2	15,740	14,470	1,270	8.1
Okanogan	17,100	14,550	2,550	14.9	16,980	14,760	2,220	13.1	17,150	14,830	2,320	13.5
Pacific	7,570	6,610	960	12.7	7,390	6,580	810	11.0	7,690	7,040	650	8.5
Pend Oreille	3,260	2,830	430	13.2	3,170	2,810	360	11.4	3,290	2,810	480	14.6
San Juan	5,750	5,420	330	5.7	5,770	5,510	260	4.5	5,670	5,480	190	3.4
Skagit	40,610	36,460	4,150	10.2	40,120	36,510	3,610	9.0	40,250	36,870	3,380	8.4
Skamania	2,220	1,700	520	23.4	2,160	1,740	420	19.4	2,220	1,830	390	17.6
Stevens	11,630	10,180	1,450	12.5	11,230	10,050	1,180	10.5	11,400	10,210	1,190	10.4
Wahkiakum	1,240	1,120	120	9.7	1,230	1,130	100	8.1	1,160	1,050	110	9.5
Walla Walla	22,740	20,870	1,870	8.2	22,950	21,360	1,590	6.9	23,550	21,800	1,750	7.4
Wenatchee Labor Area	42,030	37,790	4,240	10.1	41,670	37,850	3,820	9.2	43,630	39,690	3,940	9.0
Chelan County ‡	28,070	25,050	3,020	10.8	27,850	25,100	2,750	9.9	28,940	26,310	2,630	9.1
Douglas County ‡	13,970	12,740	1,230	8.8	13,840	12,760	1,080	7.8	14,700	13,380	1,320	9.0
Whitman	18,300	17,650	650	3.6	18,310	17,690	620	3.4	19,170	18,650	520	2.7

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

December 1991 Unemployment Rates
State of Washington = 6.9%


San Juan 5.7%
Whatcom 6.8%
Okanogan 14.9%
Ferry 10.1%
Stevens 12.5%
Pend Oreille 13.2%
Island 5.4%
Skagit 10.2%
Clallam 9.3%
Snohomish 6.1%
Chelan 10.8%
Douglas 8.8%
Jefferson 7.6%
Kitsap 5.4%
King 4.8%
Lincoln 7.6%
Spokane 6.5%
Grays Harbor 12.4%
Mason 9.6%
Grant 13.6%
Kittitas 13.1%
Adams 15.3%
Whitman 3.6%
Thurston 6.3%
Pierce 7.0%
Pacific 12.7%
Lewis 12.1%
Franklin 15.4%
Garfield 5.2%
Yakima 14.0%
Columbia 14.3%
Cowlitz 8.8%
Skamania 23.4%
Walla Walla 8.2%
Benton 7.4%
Asotin 5.3%
Wahkiakum 9.7%
Klickitat 12.8%
Clark 7.3%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary November Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Dec 91	Nov 91	Dec 90	Dec 91	Nov 91	Dec 90	Dec 91	Nov 91	Dec 90
Total Manufacturing Industries†	207,747	$558.66	$544.80	$531.33	40.6	40.0	40.1	$13.76	$13.62	$13.25
Selected Manufacturing Industries										
Lumber and Wood Products	29,607	$512.31	$482.40	$450.79	42.2	40.2	38.3	$12.14	$12.00	$11.77
Primary Metal Industries	9,472	$610.47	$596.90	$593.49	42.9	41.8	43.8	$14.23	$14.28	$13.55
Fabricated Metal Products	9,698	$518.65	$532.06	$516.60	41.0	41.6	41.0	$12.65	$12.79	$12.60
Machinery	18,898	$452.47	$442.86	$453.17	39.9	39.4	40.9	$11.34	$11.24	$11.08
Food and Kindred Products	25,196	$390.77	$378.70	$373.00	36.9	37.2	37.3	$10.59	$10.18	$10.00
Chemical and Allied Products	4,501	$745.73	$723.98	$722.18	44.1	43.3	44.8	$16.91	$16.72	$16.12
Transportation Equipment	56,278	$722.02	$711.78	$677.58	42.1	41.6	41.8	$17.15	$17.11	$16.21
Selected Nonmanufacturing Industries										
Construction	83,357	$669.00	$673.74	$635.74	36.9	37.1	36.6	$18.13	$18.16	$17.37
Wholesale and Retail Trade (Includes eating and drinking establishments)	464,815	$308.48	$301.13	$295.76	32.1	31.4	31.7	$9.61	$9.59	$9.33

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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Washington LABOR MARKET

JOB SERVICE

Washington State
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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

February 1992

Highlights

Better Than Early Indicators Hinted

Washington's economy performed better in 1991 than originally thought. Overall job growth did in fact pull back sharply and unemployment, after seasonal adjustment, mounted progressively over the course of the year. But rather than looking like the leeward side of Mount Rainier, the month-to-month employment pattern for the state in real terms took on a somewhat saucer-shape which improved the entry going into 1992. At no time during the year did Washington's nonfarm wage and salary total dip below the year before as originally reported. However, the year-to-year spread narrowed from 32,000 in January to 17,000 in December. And only services and government provided any degree of ongoing strength.

Volume 16, Number 2

Each year at this time the employment data for the prior two years are officially revised to incorporate more complete information. The methodology basically involves replacing the current survey-based monthly employment estimates with a full accounting of employment by industry as reported in the quarterly Unemployment Insurance Tax reports, at least through the first quarter of the most recent past year. The remaining months are then re-estimated off the new base or ***benchmark***.

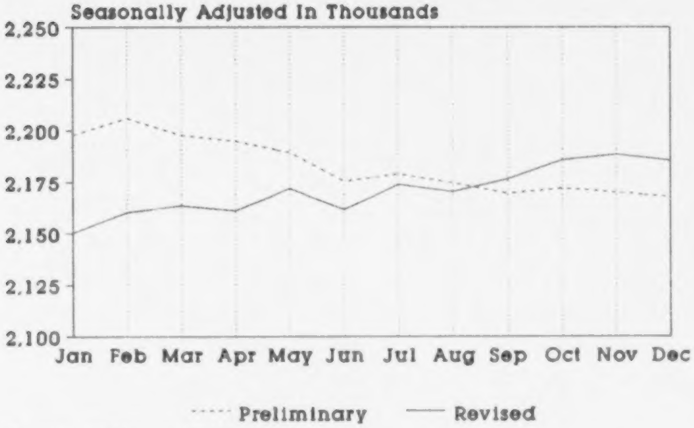
Revisions over the last several years have generally been small. But 1991 proved to be anything but ordinary. The economy had basically stalled after eight years of near-continuous expansion. Then in the first quarter, the Gulf War triggered a consumer rout which lasted until the war ended six weeks later. A burst of euphoria set in immediately after the war. However, the upsurge proved to be short-lived and the economy weakened again in the second half. By now the rolling recession had touched each of the western states, impacting Washington only lightly on balance but pulling back activity nonetheless in lumber and wood products, retail trade, construction, and portions of business services.

Redefining History

On average, statewide nonfarm employment was revised downward by roughly 40,000 workers in the first quarter. The degree of adjustment caught everyone by surprise. But Washington was not alone. Most states experienced a similar proportionate downward adjustment between December and January. Whatever the cause, the net effect was to remove the seasonally adjusted bulge of economic activity originally reported in the first three months and to push the employment peak for the state back from February 1991 to November 1990.

On the flip side, the second half of the year was revised upward. Approximately 7,000 workers were added to the third quarter and 16,000 to the fourth quarter estimates. The result pushed the year-to-year comparisons up for all months rather than turning negative in November and December. And the employment base going into 1992 was substantially heightened both in terms of actual level and general direction.

Washington State Employment 1991
Nonfarm Wage and Salary Workers



Source: Employment Security Department

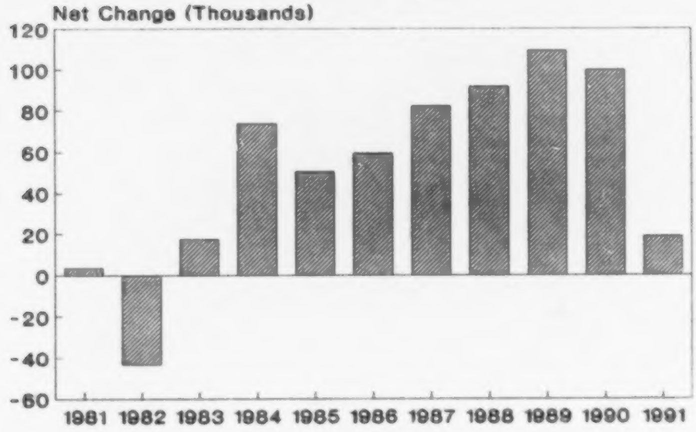
Give And Take

Washington's nonfarm wage and salary employment on balance increased by 18,700 workers on average in 1991 in contrast to approximately 100,000 in each of the previous three years. The degree of slowdown was pervasive throughout much of the economy but not sufficient to tip the state into anything approaching a full-fledged recession. Total manufacturing turned down for the first time since 1983. And both construction and trade entered 1991 with payrolls up from the prior-year but exited with the overall job count running below the year before. However, more than compensating offset came from continued strong growth in services (+25,300) and state and local government (+14,500).

Several key sectors of manufacturing slipped in 1991. Lumber and wood products lost 3,500 jobs on average over the year and transportation equipment manufacturing dropped by 3,000: split 1,100 in aerospace and 1,900 in shipbuilding, boatbuilding, and other. In this case, the annual averages mask the fact that aerospace employment was actually flat from mid-1990 through year-end 1991 after scaling back from a peak of 118,700 in January 1990. Instruments and machinery manufacturing was off by 1,800.

Two of the principal gainers over the year were health services (+7,300) and public education (+7,500). Both of these sectors tend to respond more to demographic than economic factors. And certainly the key population variables remained strong. Net migration into the state exceeded 90,000 for the second year in a row in 1991 and lags from recent past growth of population in the state's major metropolitan areas continued to hold sway.

Washington State Job Growth
Total Nonfarm Wage & Salary Employment
Annual Averages



The outlook for 1992 is one of gradual improvement as the national economy moves progressively out of recession and into recovery. The pace is destined to be constrained. But the pattern should be much more determined than the on-again, off-again tone which characterized much of 1991. Certainly, the pieces are in place for all this happen. And by year-end the expectations are that Washington's employment growth will have returned to a seasonally adjusted annual rate roughly coincident with that of the state's long-range postwar average.

JANUARY SETS THE TONE

Coming into the year, Washington's economy looked to be right on target. Nonfarm wage and salary employment took a somewhat less than normal seasonal bite of 44,100 workers in January. The usual losses associated with postholiday sales retrenchment in wholesale and retail trade (-21,800) occurred. However, the numbers were muted by the fact that the buildup coming into the period had been constrained by a high degree of caution on the part of most major retailers. Services dropped by 5,400 and construction pulled back by 7,100 over the month. But when adjusted for normal seasonal pattern, total wage and salary employment in January actually *increased* by 13,000 workers.

Manufacturing was not a contributor. Payrolls in the basic goods-producing sector dropped over the month by 3,600 - roughly equivalent to the usual trend for the month. Expected seasonal losses showed up in lumber and wood products (-500), food processing (-1,100), and printing and publishing (-200). However, adding to the total was a 1,300-worker cutback in transportation equipment production: 500 in aerospace and 800 in shipbuilding and boatbuilding operations. Lesser government contract work was largely behind the numbers. Although some reduction on the civilian side of the equation also figured into the action.

January typically marks the seasonal low for Washington's economy in terms of overall production and employment. Agriculture, forest products, construction, and tourism all take a breather before beginning to mount into spring. The balance of the year is expected to show movement from the current base as a natural consequence of the weather together with an accelerating factor for real growth as the economy gradually gathers steam.

Year-To-Year Comparisons Balloon

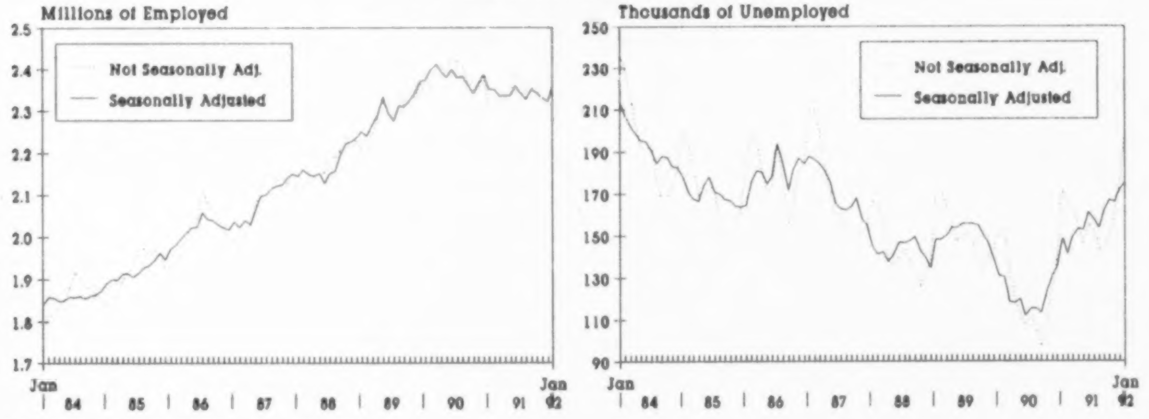
Over the year, Washington's nonfarm wage and salary employment jumped from a spread of 17,000 in December to 47,100 in January. But the cause was more than an improving economy. Rather it reflected a precipitous drop a year ago logically related to a combination of impacts arising from the national recession and the Persian Gulf Crisis which hit early in the first quarter.

Adjustments of this same order of magnitude were taken to revise the 1991 wage and salary employment data. And logically the year-to-year margin will jump back once the month-to-month comparisons can be made against a like base.

By sector, manufacturing was off and the rest of the economy showed gains in the 12-months ending in January. Industrial payrolls were down by 2,600, centered mostly in industrial machinery (-1,300) and transportation equipment production (-2,800). Lumber and wood products, electronics and instruments, and printing and publishing were flat; modest gains were posted in chemicals (+400), textiles and apparel (+700), and food and kindred products (+800). Construction was up by 3,000.

The services economy generally has proceeded to build. Services (+24,800) and government (+13,000) have accounted for the bulk of the state's year-to-year job growth. Health services (+9,700), business services (+3,200), and state and local education (+4,300) in particular stand out. At the same time, wholesale and retail trade (+5,900) continue to track higher than a year ago despite a significant slowing over the past 12 months.

Washington State Total Resident Employment and Unemployment
January 1984 - January 1992



Source: Employment Security Department

LABOR FORCE AND UNEMPLOYMENT

January's unemployment rate shot up to 7.9 percent of the work force from 7.1 percent a month before. The rate was roughly comparable to that of the nation as a whole at 8.0 percent and a full percentage point above the prior year level of 6.9 percent. Joblessness rose through 1991 as the economy slowed, making the take-off point coming into 1992 much higher than in the recent past years. And given that unemployment typically lags the economy, there is a good chance that the state's unemployment rate will continue to rise in real terms over the next several months.

Beginning in February, the statewide unemployment rate will be reported on both an unadjusted and a seasonally adjusted basis. There should be no cause for confusion. Each series will be properly identified. Both sets of numbers will appear hereafter in all publications of the national Bureau of Labor Statistics. But the commentary in both the monthly press release and the *Washington Labor Market* will highlight only the seasonally adjusted data.

The move is a good one. Washington State, in particular, is subject to sharp fluctuations of economic activity due purely to seasonal factors such as weather, timing of farm production, highs and lows of recreation and tourist volume, and the opening and closing of schools. Each occurs in a regular sequence during the course of the year. The object of a seasonal adjustment is to simply remove these normal changes from the underlying trend of the economy in order to get a clearer picture of the real month-to-month movements. Watch for coming attractions.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Jan 1992 *Preliminary*	Dec 1991 *Revised*	Jan 1991
Resident Civilian Labor Force	2,510,800	2,498,000	2,476,400
Employment	2,312,400	2,321,800	2,305,100
Unemployment	198,400	176,200	171,300
Unemployment Rate	7.9%	7.1%	6.9%
National Unemployment Rate	8.0%	6.8%	7.0%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

AREA TRENDS

All regions of the state moved ahead essentially in lock-step in January. The metropolitan areas saw unemployment rise less than the balance of the state. However, the average for Washington's nine central urban centers jumped by eight tenths of a percentage point over the month from 6.4 percent to 7.2 percent of the work force. Those tracking below average clustered around the central Puget Sound: Bremerton (6.1 percent), Olympia (6.5 percent) and the Seattle

PMSA (5.6 percent). While the highs centered in the farm-dependent economies of Yakima (16.5 percent) and the Franklin County portion of the Tri-Cities (16.7 percent).

Both eastern Washington and the timber-dependent counties held at double-digit unemployment for the second consecutive month. The average increase in both cases was roughly one-and-a-half percentage points. Eastern Washington moved up from 10.0 percent to 11.4 percent; the timber areas from 11.5 percent to 12.8 percent. There was nothing unusual about the positioning of highs and lows for the month: Whitman County retained the distinction of having the lowest unemployment rate in the state at 3.3 percent and Skamania County capped the top with 28.3 percent unemployed in January.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Jan 1992	Dec 1991	Jan 1991
Washington State Total	7.9%	7.1%	6.9%
Metropolitan Areas	7.2%	6.4%	6.1%
Log & Lumber Areas	12.8%	11.5%	12.2%
All Western WA Areas	6.9%	6.3%	5.8%
All Eastern WA Areas	11.4%	10.0%	10.9%

Source: Employment Security Department

INDUSTRY NOTES

Boeing Shifts Around

Approximately 6,500 engineers and other personnel currently working at Boeing's Renton plant in south King County will be shifted north to Everett beginning this fall. The transfer affects more than a quarter of the 24,000 stationed at Renton as the transition begins toward production of the new-generation 777 aircraft and a slowdown on the 737. Boeing is nearing completion of two new office towers at the Everett site. The shift is to be completed by March 1993.

Long-term, Boeing foresees a bright outlook for the commercial aviation market to 2010. The company's annual industry forecast expects a three-fold increase in passenger traffic over the next 20 years and total aircraft sales of roughly $857 billion. The latest projections assume a sharp increase in the rate of jetliner replacements and a shift from standard-body to wide-body configurations in the coming years.

Banking Gets The Go-Ahead

Governmental approval has been received for the biggest bank merger in Washington's history. The joining of Seafirst (subsidiary of BankAmerica) and Security Pacific will create a commercial banking entity in the state with 262 branches even after 86 branches are sold and 32 branches are closed to comply with the buyout provisions. Bank officials have not detailed layoff plans but hopes to limit the impact to 500 people. Seafirst and Security Pacific currently employ roughly 10,000 locally.

Hanford Additions Squeezed By Space

Projected job additions at the Hanford Nucleonics Project in south-central Washington have been scaled back for lack of space. In a recently announced statement, spokesmen for the Department of Energy indicated that the federal agency and its four major contractors have funding to hire but lack infrastructure. The Bush Administration has requested a $1.7 billion Hanford budget - the biggest on record. An expected job growth of 1,500 workers over the next two years has now been cut to roughly 700.

NATIONAL INDICATORS

GDP Shaved But Economy Moving Ahead

The Commerce Department's estimate of Gross Domestic Product for the fourth quarter was cut back from an annual rate of 0.8 percent to 0.4 percent. The final revision took into account smaller increases than previously reported in inventories and foreign exports. Upward revisions were made to capital expenditures and consumer spending.

But the recovery looks to be gathering speed. Factory orders rose in January for the third time in four months and the delinquency rate on mortgages fell. Consumers are hiking their spending levels. And construction outlays rose

1.3 percent in January - the first increase since October. Additionally, the monthly index of Purchasing Managers jumped to 54 percent from 47 a month before, with anything above 50 percent signaling an upturn in manufacturing.

Housing Responds To Low Interest Rates

Lower interest rates are finally breathing some renewed life into the nation's moribund housing markets. A pickup in activity is being felt across the county - even in the hard-hit eastern coastal areas. Within the three-county Central Puget Sound area of Washington, homes sales nearly doubled in January and rose another 50 percent in February with action pretty much across the board in terms of price. The National Association of Realtors is predicting a 15 percent increase in new home sales nationwide in 1992.

Pushing Up The Indicators

Meanwhile, the nation's main economic barometer surged in January after two months of decline. The Commerce Department's Index of Leading Indicators shot up 0.9 percent in the latest month with 7 of the 11 forward-looking statistics posting solid gains. The report also reflected some upward revision for both November and December, giving analysts added assurance that the economy will continue to gradually expand.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Jan 92	Dec 91	Jan 91	Dec 91	Jan 91
	138.1	137.9	134.6	0.1%	2.6%
Seattle†	Jul-Dec 1991	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1991	Jul-Dec 1990
	135.2	133.0	129.4	1.7%	4.5%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted					Numeric Change	
Industry	Jan 1992 (Prel)	Dec 1991 (Rev)	Jan 1991 (Rev)	Dec 1990 (Rev)	Dec 1991 to Jan 1992	Jan 1991 to Jan 1992
Total Nonagricultural Wage & Salary	2,150.5	2,194.6	2,103.4	2,177.3	-44.1	47.1
Manufacturing	343.9	347.5	346.5	365.9	-3.6	-2.6
Durable Goods	246.8	249.0	251.6	257.1	-2.2	-4.8
Lumber & Wood Products	35.3	35.8	35.3	37.3	-0.5	0.0
Logging	8.5	8.7	7.8	8.9	-0.2	0.7
Sawmills & Plywood	23.7	23.8	24.0	24.8	-0.1	-0.3
Furniture & Fixtures	3.7	3.7	3.7	4.0	0.0	0.0
Stone, Clay & Glass	7.2	7.5	7.1	7.8	-0.3	0.1
Primary Metals	12.0	12.0	12.6	13.1	0.0	-0.6
Aluminum	8.4	8.5	8.8	9.0	-0.1	-0.4
Fabricated Metals	11.5	11.7	12.0	12.1	-0.2	-0.5
Industrial Machinery & Equipment	19.0	19.1	20.3	20.8	-0.1	-1.3
Computer & Office Equipment	6.1	6.2	6.5	6.6	-0.1	-0.4
Electronic & Other Electrical Equipment	11.3	11.2	11.3	11.7	0.1	0.0
Transportation Equipment	126.3	127.6	129.1	129.4	-1.3	-2.8
Aircraft & Parts	114.3	114.8	115.6	115.5	-0.5	-1.3
Instruments & Related	13.6	13.6	13.6	13.8	0.0	0.0
Miscellaneous Manufacturing	6.9	6.8	6.6	7.1	0.1	0.3
Nondurable Goods	97.1	98.5	94.9	108.8	-1.4	2.2
Food & Kindred Products	35.0	36.1	34.2	37.5	-1.1	0.8
Preserved Fruits & Vegetables	11.3	11.9	10.8	12.3	-0.6	0.5
Textiles, Apparel & Leather	8.1	8.1	7.4	7.9	0.0	0.7
Paper & Allied Products	17.8	18.0	17.6	17.9[2]	-0.2	0.2
Printing & Publishing	22.3	22.5	22.2	23.2	-0.2	0.1
Chemicals & Allied Products[3]	5.4	5.3	5.0	13.4	0.1	0.4
Petroleum, Coal, Plastics	8.5	8.5	8.5	8.9	0.0	0.0
Mining & Quarrying	3.8	3.8	3.6	3.7	0.0	0.2
Construction	107.8	114.9	104.8	114.0	-7.1	3.0
General Building Contractors	32.7	34.2	32.1	34.4	-1.5	0.6
Heavy Construction, except Buildings	14.4	15.8	13.0	15.9	-1.4	1.4
Special Trade Contractors	60.7	64.9	59.7	63.7	-4.2	1.0
Transportation, Communications & Utilities	112.1	113.2	110.0	114.1	-1.1	2.1
Transportation	76.9	77.9	75.3	79.2	-1.0	1.6
Trucking & Warehousing	29.9	30.7	30.0	32.3	-0.8	-4.2
Water Transportation	10.0	10.0	9.0	9.5	0.0	1.0
Transportation by Air	16.0	16.1	15.5	15.9	-0.1	0.5
Communications	25.0	25.1	24.9	25.0	-0.1	0.1
Electric, Gas & Sanitary Services	10.2	10.2	9.8	9.9	0.0	0.4
Wholesale & Retail Trade	515.0	536.8	509.1	540.2	-21.8	5.9
Wholesale Trade	126.1	129.0	126.2	130.0	-2.9	-0.1
Retail Trade	388.9	407.8	382.9	410.2	-18.9	6.0
General Merchandise	39.6	43.9	40.4	45.8	-4.3	-0.8
Food Stores	63.7	64.6	61.6	64.6	-0.9	2.1
Eating & Drinking	138.0	143.4	134.8	143.1	-5.4	3.2
Finance, Insurance & Real Estate	114.9	116.5	114.2	116.9	-1.6	0.7
Finance	50.8	51.4	50.6	51.7	-0.6	0.2
Services	536.1	541.5	511.3	515.0	-5.4	24.8
Hotels & Lodging	25.2	26.2	23.1	24.8	-1.0	2.1
Personal Services	20.8	20.8	21.1	21.2	0.0	-0.3
Business Services	83.3	85.7	80.1	86.1	-2.4	3.2
Health Services	159.8	159.7	150.1	152.2	0.1	9.7
Educational Services	24.7	25.4	23.3	24.2	-0.7	1.4
Social Services[3]	41.0	40.8	38.2	36.9	0.2	2.8
Engineering & Management Services[3]	56.7	56.6	54.1	46.7	0.1	2.6
Government	416.9	420.4	403.9	407.5	-3.5	13.0
Federal	71.9	72.6	71.4	72.3	-0.7	0.5
State	122.8	124.0	119.1	118.2	-1.2	3.7
State Education	63.7	65.1	62.6	62.3	-1.4	1.1
Local	222.2	223.8	213.4	217.0	-1.6	8.8
Local Education	120.3	120.7	116.1	117.3	-0.4	4.2
Workers in Labor-Management Disputes	0.0	0.0	0.0	0.3	0.0	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

[3] Data not comparable with 1990 because of end-of-year industry code changes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

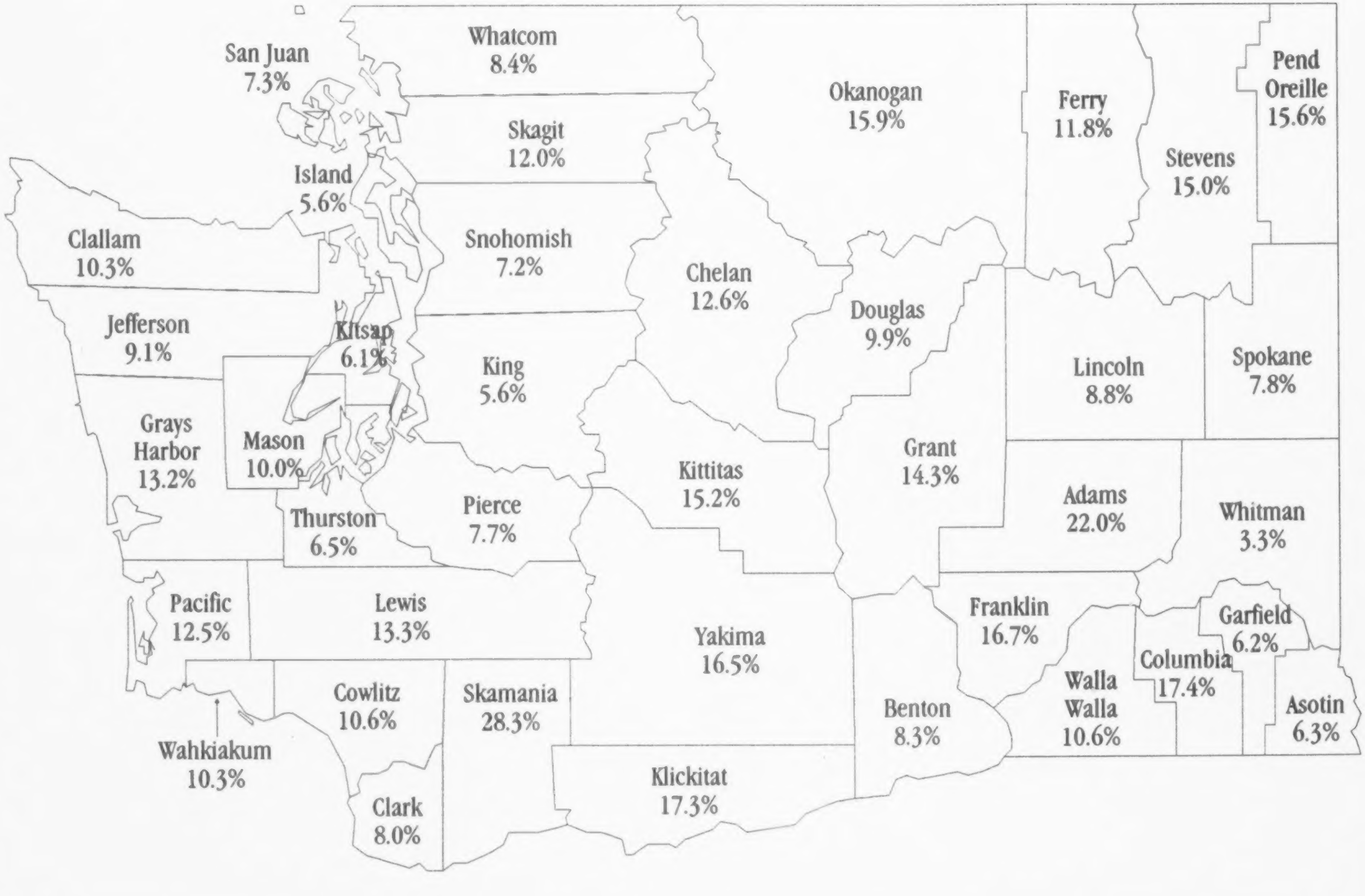
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 3/2/92
Benchmark: 1991

	January 1992 Preliminary†				December 1991 Revised†				January 1991 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,510,800	2,312,400	198,400	7.9	2,498,000	2,321,800	176,200	7.1	2,476,400	2,305,100	171,300	6.9
Bellingham MSA	70,500	64,600	5,900	8.4	70,400	65,400	5,000	7.1	69,300	63,500	5,800	8.4
Bremerton MSA	85,100	79,900	5,200	6.1	84,800	80,100	4,700	5.5	83,400	79,000	4,400	5.3
Olympia MSA	87,800	82,100	5,700	6.5	87,300	81,700	5,600	6.4	84,100	78,800	5,300	6.3
Seattle PMSA	1,124,300	1,057,500	66,800	5.9	1,120,100	1,061,400	58,700	5.2	1,115,700	1,063,700	52,000	4.7
King County ‡	885,100	835,500	49,600	5.6	882,400	838,600	43,800	5.0	878,300	840,400	37,900	4.3
Snohomish County ‡	239,100	222,000	17,100	7.2	237,700	222,800	14,900	6.3	237,400	223,300	14,100	5.9
Spokane MSA	175,400	161,800	13,600	7.8	175,400	163,700	11,700	6.7	172,000	159,800	12,200	7.1
Tacoma PMSA	260,600	240,600	20,000	7.7	257,600	239,700	17,900	6.9	254,500	238,200	16,300	6.4
Tri-Cities MSA	74,300	66,700	7,600	10.2	73,600	66,700	6,900	9.4	72,400	64,400	8,000	11.0
Benton County ‡	56,900	52,200	4,700	8.3	56,400	52,200	4,200	7.4	55,200	50,400	4,800	8.7
Franklin County ‡	17,400	14,500	2,900	16.7	17,200	14,500	2,700	15.7	17,200	14,000	3,200	18.6
Vancouver PMSA	128,200	118,000	10,200	8.0	127,300	117,800	9,500	7.5	125,700	117,900	7,800	6.2
Yakima MSA	97,400	81,300	16,100	16.5	95,800	82,100	13,700	14.3	93,400	78,600	14,800	15.8
Adams	7,370	5,750	1,620	22.0	7,270	5,750	1,520	20.9	7,230	5,790	1,440	19.9
Asotin	9,360	8,770	590	6.3	9,230	8,740	490	5.3	9,010	8,470	540	6.0
Clallam	24,140	21,660	2,480	10.3	23,820	21,540	2,280	9.6	24,440	21,880	2,560	10.5
Columbia	1,550	1,280	270	17.4	1,450	1,240	210	14.5	1,390	1,150	240	17.3
Cowlitz	38,830	34,700	4,130	10.6	38,320	34,680	3,640	9.5	39,550	36,020	3,530	8.9
Ferry	3,220	2,840	380	11.8	3,200	2,860	340	10.6	3,010	2,710	300	10.0
Garfield	970	910	60	6.2	990	940	50	5.1	920	840	80	8.7
Grant	27,180	23,300	3,880	14.3	26,740	23,230	3,510	13.1	26,140	22,570	3,570	13.7
Grays Harbor	26,100	22,650	3,450	13.2	26,690	23,320	3,370	12.6	29,420	25,340	4,080	13.9
Island	22,670	21,410	1,260	5.6	22,340	21,180	1,160	5.2	22,270	21,240	1,030	4.6
Jefferson	8,700	7,910	790	9.1	8,890	8,200	690	7.8	8,710	8,040	670	7.7
Kittitas	12,990	11,020	1,970	15.2	12,610	10,910	1,700	13.5	12,740	11,340	1,400	11.0
Klickitat	7,110	5,880	1,230	17.3	7,860	6,800	1,060	13.5	7,380	6,000	1,380	18.7
Lewis	25,340	21,960	3,380	13.3	25,410	22,420	2,990	11.8	25,720	22,280	3,440	13.4
Lincoln	4,000	3,650	350	8.8	4,000	3,690	310	7.8	3,970	3,670	300	7.6
Mason	13,530	12,180	1,350	10.0	14,970	13,350	1,620	10.8	13,860	12,520	1,340	9.7
Okanogan	17,280	14,540	2,740	15.9	16,630	14,110	2,520	15.2	16,720	13,980	2,740	16.4
Pacific	7,740	6,770	970	12.5	7,660	6,670	990	12.9	7,760	6,680	1,080	13.9
Pend Oreille	3,340	2,820	520	15.6	3,320	2,850	470	14.2	3,260	2,670	590	18.1
San Juan	5,910	5,480	430	7.3	5,950	5,600	350	5.9	5,800	5,530	270	4.7
Skagit	41,330	36,360	4,970	12.0	41,320	37,020	4,300	10.4	39,090	34,850	4,240	10.8
Skamania	2,300	1,650	650	28.3	2,330	1,820	510	21.9	2,260	1,690	570	25.2
Stevens	11,900	10,120	1,780	15.0	11,790	10,290	1,500	12.7	11,380	9,950	1,430	12.6
Wahkiakum	1,160	1,040	120	10.3	1,180	1,060	120	10.2	1,200	1,010	190	15.8
Walla Walla	23,050	20,600	2,450	10.6	22,450	20,530	1,920	8.6	22,350	20,140	2,210	9.9
Wenatchee Labor Area	42,020	37,090	4,930	11.7	41,110	36,740	4,370	10.6	41,200	36,340	4,860	11.8
Chelan County ‡	28,150	24,590	3,560	12.6	27,460	24,360	3,100	11.3	27,500	24,090	3,410	12.4
Douglas County ‡	13,870	12,500	1,370	9.9	13,650	12,380	1,270	9.3	13,710	12,250	1,460	10.6
Whitman	18,300	17,690	610	3.3	18,340	17,690	650	3.5	18,990	18,440	550	2.9

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

January 1992 Unemployment Rates
State of Washington = 7.9%


Whatcom 8.4%
San Juan 7.3%
Skagit 12.0%
Island 5.6%
Okanogan 15.9%
Ferry 11.8%
Stevens 15.0%
Pend Oreille 15.6%
Clallam 10.3%
Snohomish 7.2%
Chelan 12.6%
Jefferson 9.1%
Kitsap 6.1%
Douglas 9.9%
King 5.6%
Lincoln 8.8%
Spokane 7.8%
Grays Harbor 13.2%
Mason 10.0%
Grant 14.3%
Kittitas 15.2%
Thurston 6.5%
Pierce 7.7%
Adams 22.0%
Whitman 3.3%
Pacific 12.5%
Lewis 13.3%
Yakima 16.5%
Franklin 16.7%
Garfield 6.2%
Columbia 17.4%
Cowlitz 10.6%
Skamania 28.3%
Benton 8.3%
Walla Walla 10.6%
Asotin 6.3%
Wahkiakum 10.3%
Clark 8.0%
Klickitat 17.3%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary November Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jan 92	Dec 91	Jan 91	Jan 92	Dec 91	Jan 91	Jan 92	Dec 91	Jan 91
Total Manufacturing Industries†	194,654	$554.53	$554.60	$514.76	40.3	40.6	40.5	$13.76	$13.66	$12.71
Selected Manufacturing Industries										
Lumber and Wood Products	29,094	$469.65	$493.25	$416.56	39.4	40.9	37.8	$11.92	$12.06	$11.02
Primary Metal Industries	9,390	$612.26	$598.40	$568.16	43.3	42.2	41.9	$14.14	$14.18	$13.56
Fabricated Metal Products	9,177	$502.90	$515.71	$473.01	40.2	40.8	37.6	$12.51	$12.64	$12.58
Machinery	18,706	$447.28	$438.06	$408.67	39.9	39.5	38.7	$11.21	$11.09	$10.56
Food and Kindred Products	24,560	$394.82	$388.41	$341.50	38.0	37.6	34.6	$10.39	$10.33	$9.87
Chemical and Allied Products [1]	1,998	$631.96	$632.72	$640.00	42.3	41.3	42.3	$14.94	$15.32	$15.13
Transportation Equipment	52,912	$739.50	$733.94	$689.32	42.5	42.4	43.6	$17.40	$17.31	$15.81
Selected Nonmanufacturing Industries										
Construction	71,426	$676.01	$677.41	$656.58	36.7	37.2	37.2	$18.42	$18.21	$17.65
Wholesale and Retail Trade (Includes eating and drinking establishments)	369,444	$281.75	$274.97	$236.28	31.8	31.0	27.7	$8.86	$8.87	$8.53

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

[1] Not comparable to previous years because of end of year industry codes.

State of Washington
Employment Security Department
Labor Market and Economic Analysis

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, 1991
(Benchmark: March 1991)
In Thousands Not Seasonally Adjusted

1991
Preliminary
1987 SIC

INDUSTRY	ANNUAL AVERAGE 1/	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
TOTAL	2,170.8	2,103.4	2,112.3	2,134.2	2,149.5	2,178.9	2,192.5	2,175.4	2,179.7	2,210.7	2,209.7	2,209.2	2,194.6
MANUFACTURING	351.3	346.5	346.8	347.7	347.5	350.2	353.1	353.0	357.2	358.6	355.5	351.6	347.5
Durable Goods	251.5	251.6	250.7	250.8	249.8	251.3	252.6	253.0	253.4	253.3	251.8	250.5	249.0
Lumber & Wood Products	36.5	35.3	35.4	35.3	35.5	36.7	37.5	37.6	37.7	37.7	37.0	36.4	35.8
Logging	8.7	7.8	8.1	8.0	8.1	8.9	9.1	9.2	9.2	9.3	9.2	9.0	8.7
Sawmills & Plywood	24.3	24.0	23.7	23.9	24.0	24.2	24.8	24.8	24.7	24.7	24.3	24.1	23.8
Furniture & Fixtures	3.7	3.7	3.7	3.6	3.7	3.8	3.7	3.8	3.8	3.8	3.8	3.8	3.7
Stone, Clay & Glass	7.7	7.1	7.3	7.5	7.5	7.6	7.8	8.0	8.0	8.0	7.8	7.7	7.5
Primary Metals	12.3	12.6	12.5	12.5	12.4	12.4	12.4	12.3	12.2	12.2	12.1	12.0	12.0
Aluminum	8.7	8.8	8.8	8.9	8.9	8.9	8.8	8.7	8.6	8.6	8.5	8.5	8.5
Fabricated Metals	12.0	12.0	11.7	11.7	11.7	12.0	12.2	12.3	12.4	12.4	12.2	11.9	11.7
Industrial Mach. & Equip.	19.8	20.3	20.3	20.2	19.9	19.8	19.8	19.8	19.8	19.6	19.3	19.2	19.1
Computer & Office Equip.	6.5	6.5	6.5	6.6	6.5	6.6	6.6	6.7	6.6	6.5	6.4	6.3	6.2
Electronic & Other Electric	11.3	11.3	11.5	11.5	11.1	11.2	11.3	11.2	11.2	11.3	11.3	11.2	11.2
Transportation Equipment	128.1	129.1	128.2	128.2	127.9	127.7	127.8	127.7	128.1	128.2	128.2	128.0	127.6
Aircraft & Parts	115.2	115.6	115.1	115.1	114.9	114.9	115.1	115.3	115.6	115.6	115.5	115.2	114.8
Instruments & Related	13.6	13.6	13.6	13.7	13.7	13.7	13.6	13.7	13.7	13.6	13.6	13.6	13.6
Miscellaneous Manufacturing	6.6	6.6	6.5	6.6	6.4	6.4	6.5	6.6	6.5	6.5	6.5	6.7	6.8
Nondurable Goods 3/	99.8	94.9	96.1	96.9	97.7	98.9	100.5	100.0	103.8	105.3	103.7	101.1	98.5
Food & Kindred Products	37.5	34.2	35.0	35.1	36.0	36.9	37.6	37.1	40.8	42.0	40.8	38.6	36.1
Preserved Fruits & Vegs.	13.4	10.8	11.4	11.1	12.3	13.2	13.7	12.9	15.9	16.7	16.2	14.2	11.9
Textiles, Apparel & Leather	8.0	7.4	7.6	7.8	7.7	7.9	8.1	8.1	8.1	8.2	8.3	8.1	8.1
Paper & Allied Products	18.0	17.6	17.8	17.8	17.7	17.7	18.2	18.3	18.2	18.3	17.9	17.9	18.0
Printing & Publishing	22.5	22.2	22.3	22.5	22.4	22.5	22.5	22.4	22.6	22.6	22.6	22.5	22.5
Chemicals & Allied Prod. 3/	5.2	5.0	5.1	5.2	5.2	5.2	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Petroleum, Coal, Plastics	8.7	8.5	8.3	8.5	8.7	8.7	8.8	8.8	8.8	8.9	8.8	8.7	8.5
MINING & QUARRYING	3.8	3.6	3.5	3.5	3.7	3.7	3.8	4.0	4.1	4.0	3.9	3.8	3.8
CONSTRUCTION	117.2	104.8	106.9	109.5	113.4	117.7	119.0	124.0	126.6	127.3	124.3	117.9	114.9
General Building Contractors	34.8	32.1	32.7	33.1	33.5	35.1	35.5	36.8	37.3	37.1	36.0	34.7	34.2
Heavy Construct., ex. Bldgs.	16.8	13.0	13.8	14.5	16.2	17.3	17.5	18.5	19.1	19.8	19.2	17.3	15.8
Special Trade Contractors	65.5	59.7	60.4	61.9	63.7	65.3	66.0	68.7	70.2	70.4	69.1	65.9	64.9
TRANSPOR., COMM. & UTILITIES	112.0	110.0	108.8	109.4	109.5	110.7	112.1	113.9	114.1	114.8	113.9	113.8	113.2
Transportation	76.9	75.3	74.0	74.5	74.6	75.8	76.9	78.3	78.5	79.4	78.5	78.5	77.9
Trucking & Warehousing	30.1	30.0	28.9	29.0	28.8	29.0	29.7	30.6	31.0	31.4	31.3	30.9	30.7
Water Transportation	9.7	9.0	8.8	9.0	9.3	9.7	9.7	10.3	10.0	10.3	9.7	10.4	10.0
Transportation by Air	15.8	15.5	15.4	15.5	15.3	15.5	16.0	16.2	16.2	16.1	16.0	15.9	16.1
Communications	25.1	24.9	24.9	24.9	24.9	24.9	25.0	25.2	25.3	25.2	25.3	25.1	25.1
Electric, Gas & Sanit. Svcs.	10.1	9.8	9.9	10.0	10.0	10.0	10.2	10.4	10.3	10.2	10.1	10.2	10.2
WHOLESALE & RETAIL TRADE	524.9	509.1	504.7	510.3	516.1	524.9	530.9	531.8	533.9	534.9	530.8	534.7	536.8
Wholesale Trade	129.4	126.2	126.3	127.6	128.3	129.4	130.5	132.0	130.4	132.4	131.1	129.9	129.0
Retail Trade	395.5	382.9	378.4	382.7	387.8	395.5	400.4	399.8	403.5	402.5	399.7	404.8	407.8
General Merchandise	39.1	40.4	37.9	37.6	37.3	37.5	37.6	38.4	39.0	39.1	39.2	41.6	43.9
Food Stores	63.4	61.6	61.1	61.4	61.8	63.2	64.1	64.1	64.6	64.9	64.8	64.5	64.6
Eating & Drinking	143.7	134.8	135.7	138.9	142.3	146.0	148.0	148.2	148.9	148.1	145.5	144.4	143.4
FINANCE, INS. & REAL ESTATE	116.6	114.2	114.6	115.8	115.8	116.6	117.4	117.9	118.5	117.7	117.3	116.7	116.5
Finance	51.0	50.6	50.7	51.0	50.8	50.9	51.0	51.1	51.3	51.2	51.1	51.4	51.4
SERVICES	533.7	511.3	517.2	524.6	528.3	534.6	536.9	537.0	541.6	546.1	543.8	541.9	541.5
Hotels & Lodging	26.1	23.1	23.2	23.7	24.9	26.4	27.7	28.1	29.0	27.9	26.9	26.2	26.2
Personal Services	21.3	21.1	21.6	21.9	21.8	21.5	21.6	20.7	20.9	21.1	21.0	21.0	20.8
Business Services	84.6	80.1	80.5	81.3	81.8	83.6	84.3	86.7	87.9	88.3	88.4	86.7	85.7
Health Services	155.6	150.1	151.0	152.5	153.4	154.6	156.0	156.7	157.8	158.0	158.4	159.1	159.7
Educational Services	23.5	23.3	24.5	24.9	25.1	24.9	21.2	19.0	19.0	23.1	25.2	25.9	25.4
Social Services 3/	39.5	38.2	38.8	39.0	39.1	39.7	39.7	39.1	39.0	40.1	40.4	40.6	40.8
Engineer. & Mgmnt. Srvcs. 3/	55.8	54.1	54.9	55.3	55.6	55.3	55.8	56.3	56.6	56.7	56.3	56.4	56.6
GOVERNMENT	411.4	403.9	409.8	413.4	415.2	420.5	419.3	393.8	383.7	407.3	420.2	428.8	420.4
Federal	72.9	71.4	71.2	71.4	71.9	72.5	73.8	74.8	74.9	74.3	73.4	72.7	72.6
State	119.1	119.1	121.6	122.5	122.7	122.6	120.7	105.5	106.8	113.8	124.4	125.8	124.0
State Education	60.6	62.6	64.5	64.9	64.7	64.2	62.0	46.5	46.7	54.1	65.4	66.7	65.1
Local	219.3	213.4	217.0	219.5	220.6	225.4	224.8	213.5	202.0	219.2	222.4	230.3	223.8
Local Education	115.2	116.1	118.6	120.1	120.2	120.4	119.9	105.0	93.2	108.3	118.3	121.4	120.7
WORKERS IN LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.
2/ Workers excluded because of involvement in labor-management disputes.
3/ Break in series due to end of year industry code changes.

State of Washington
Employment Security Department
Labor Market and Economic Analysis

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, 1990

(Benchmark: March 1991)
In Thousands Not Seasonally Adjusted

1990
Revised
1987 SIC

INDUSTRY	ANNUAL AVERAGE 1/	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
TOTAL	2,152.1	2,071.6	2,082.2	2,107.0	2,131.7	2,159.1	2,187.0	2,162.0	2,177.3	2,200.5	2,180.9	2,189.0	2,177.3
MANUFACTURING	371.3	366.5	365.3	367.5	369.8	372.0	374.8	374.7	378.0	377.9	372.3	370.5	365.9
Durable Goods	261.8	262.6	261.5	262.5	261.6	262.3	263.7	264.1	263.5	262.8	260.0	259.6	257.1
Lumber & Wood Products	40.0	39.3	39.2	39.4	40.1	41.0	41.7	41.5	41.4	41.4	39.4	38.5	37.3
Logging	9.7	9.2	8.9	8.8	9.4	10.1	10.3	10.4	10.5	10.4	10.1	9.6	8.9
Sawmills & Plywood	26.6	26.8	26.9	27.1	27.0	27.1	27.4	27.1	27.0	27.0	25.7	25.2	24.8
Furniture & Fixtures	4.1	4.0	4.0	4.0	4.0	4.0	4.2	4.2	4.3	4.3	4.2	4.1	4.0
Stone, Clay & Glass	7.9	7.2	7.0	7.5	7.9	8.1	8.3	8.5	8.5	8.3	8.1	8.0	7.8
Primary Metals	13.2	12.8	13.0	13.0	13.1	13.2	13.3	13.3	13.4	13.3	13.3	13.2	13.1
Aluminum	9.0	8.7	8.8	8.8	9.0	9.0	9.0	9.0	9.0	9.0	9.1	9.0	9.0
Fabricated Metals	12.3	11.9	11.8	11.9	12.0	12.2	12.5	12.8	12.8	12.8	12.6	12.3	12.1
Industrial Mach. & Equip.	20.6	20.3	20.2	20.2	20.3	20.5	20.8	20.9	20.9	20.9	20.8	20.8	20.8
Computer & Office Equip.	6.4	6.3	6.3	6.2	6.1	6.2	6.3	6.5	6.6	6.5	6.5	6.6	6.6
Electronic & Other Electric	11.5	11.3	11.3	11.4	11.4	11.4	11.5	11.7	11.8	11.5	11.5	11.6	11.7
Transportation Equipment	131.1	134.6	133.8	133.8	131.9	131.0	130.4	130.3	129.6	129.6	129.1	130.0	129.4
Aircraft & Parts	116.3	118.7	118.1	117.8	116.7	116.1	115.6	115.7	115.3	115.2	115.0	116.0	115.5
Instruments & Related	14.7	15.2	15.2	15.2	14.9	14.9	14.9	14.8	14.5	14.3	14.3	14.0	13.8
Miscellaneous Manufacturing	6.3	6.0	6.0	6.1	6.0	6.0	6.1	6.1	6.3	6.4	6.7	7.1	7.1
Nondurable Goods	109.5	103.9	103.8	105.0	108.2	109.7	111.1	110.6	114.5	115.1	112.3	110.9	108.8
Food & Kindred Products	38.5	34.9	34.8	35.1	38.0	38.9	39.2	38.1	41.8	42.7	40.9	39.6	37.5
Preserved Fruits & Vegs.	13.7	11.2	11.3	11.3	14.1	14.3	14.2	12.8	16.2	17.0	15.6	14.4	12.3
Textiles, Apparel & Leather	8.0	7.5	7.4	7.6	7.8	7.9	8.1	8.4	8.3	8.3	8.2	8.0	7.9
Paper & Allied Products	18.2	18.0	17.9	18.1	18.0	18.1	18.7	18.7	18.7	18.4 2/	17.8 2/	17.8 2/	17.9 2/
Printing & Publishing	22.7	22.0	22.1	22.4	22.4	22.6	22.7	22.8	22.9	22.8	22.9	23.0	23.2
Chemicals & Allied Products	13.2	12.9	13.0	13.0	13.0	13.2	13.3	13.4	13.5	13.5	13.3	13.4	13.4
Petroleum, Coal, Plastics	9.0	8.6	8.6	8.8	9.0	9.0	9.1	9.2	9.3	9.4	9.2	9.1	8.9
MINING & QUARRYING	3.7	3.4	3.5	3.6	3.7	3.7	3.8	3.9	4.0	3.9	3.9	3.8	3.7
CONSTRUCTION	117.7	103.2	102.1	108.9	114.5	119.3	123.8	125.3	130.2	128.9	123.2	119.4	114.0
General Building Contractors	35.5	31.6	31.2	33.0	34.6	35.9	37.6	37.8	39.2	38.5	36.3	35.3	34.4
Heavy Construct., ex. Bldgs.	16.4	12.9	12.7	14.0	15.8	17.0	17.4	18.2	19.0	19.0	18.1	17.2	15.9
Special Trade Contractors	65.8	58.7	58.2	61.9	64.1	66.4	68.8	69.3	72.0	71.4	68.8	66.9	63.7
TRANSPOR., COMM. & UTILITIES	113.4	110.4	109.9	110.7	111.0	112.9	114.9	115.0	117.3	117.1	114.2	113.1	114.1
Transportation	78.4	75.4	74.8	76.1	76.6	78.3	80.1	79.7	81.1	81.8	79.2	78.4	79.2
Trucking & Warehousing	31.3	29.8	29.3	29.9	30.3	31.0	31.8	32.1	32.9	33.2	32.0	31.4	32.3
Water Transportation	9.5	8.9	8.7	9.0	9.1	9.6	9.9	10.1	10.0	10.0	9.5	9.4	9.5
Transportation by Air	15.9	15.2	15.3	15.5	15.6	15.8	16.3	16.0	16.6	16.3	16.0	15.9	15.9
Communications	25.4	25.8	25.8	25.2	25.0	25.1	25.1	25.5	26.3	25.4	25.2	24.9	25.0
Electric, Gas & Sanit. Svcs.	9.6	9.2	9.3	9.4	9.4	9.5	9.7	9.8	9.9	9.9	9.8	9.8	9.9
WHOLESALE & RETAIL TRADE	523.6	501.6	497.3	505.0	512.4	521.1	531.9	530.9	535.9	537.5	532.0	537.3	540.2
Wholesale Trade	129.1	123.1	123.6	125.6	126.9	128.3	132.6 2/	131.9 2/	131.1	133.5	132.3	130.6	130.0
Retail Trade	394.5	378.5	373.7	379.4	385.5	392.8	399.3	399.0	404.8	404.0	399.7	406.7	410.2
General Merchandise	39.8	40.7	38.5	38.1	38.0	38.1	38.1	38.6	38.7	39.2	39.8	43.8	45.8
Food Stores	63.1	59.8	59.9	60.9	62.0	63.1	64.2	64.2	64.9	65.3	64.2	63.6	64.6
Eating & Drinking	143.9	135.7	135.2	138.0	141.7	145.2	148.2	148.5	151.1	150.1	145.6	144.5 2/	143.1
FINANCE, INS. & REAL ESTATE	116.4	113.9	114.4	115.2	115.6	116.7	117.7	117.6	118.0	117.6	116.6	116.7	116.9
Finance	51.5	51.3	51.3	51.5	51.4	51.5	51.8	51.5	51.6	51.5	51.3	51.5	51.7
SERVICES	508.4	483.5	489.6	498.4	504.2	508.7	514.9	514.0	519.0	524.6	514.6	514.6	515.0
Hotels & Lodging	25.7	23.0	23.0	23.6	24.6	25.6	27.2	28.2	28.6	27.8	26.3	25.1	24.8
Personal Services	21.4	21.1	21.5	22.1	21.9	21.3	21.5	21.0	21.3	21.4	21.3	21.2	21.2
Business Services	84.3	78.4	78.8	80.8	82.6	84.1	85.9	86.0	87.5	88.1	86.4	86.6	86.1
Health Services	148.3	143.7	144.0	145.2	145.8	146.9	148.9	149.2	150.4	151.0	150.5	151.3	152.2
Educational Services	22.4	22.2	23.5	23.8	23.9	23.5	20.4	18.2	18.1	21.9	23.8	24.7	24.2
Social Services	34.6	32.4	32.7	33.2	33.7	34.4	34.8	34.3	34.8	35.8	36.2	36.3	36.9
Engineering & Mgmnt. Srvcs.	45.7	43.5	44.6	45.2	45.6	45.4	45.8	45.7	46.3	46.2	46.4	46.6	46.7
GOVERNMENT	397.6	389.1	400.1	397.7	400.5	404.7	405.2	380.6	374.9	393.0	404.1	413.6	407.5
Federal	73.7	72.8	72.8	73.8	75.2	77.1	75.9	75.3	73.1	72.5	71.9	71.8	72.3
State	113.9	113.4	116.1	116.8	116.2	116.4	115.1	103.3	102.8	109.7	119.2	119.4	118.2
State Education	58.4	60.2	62.3	62.9	62.2	62.1	59.8	45.1	45.1	52.5	63.0	63.6	62.3
Local	210.0	202.9	211.2	207.1	209.1	211.2	214.2	202.0	199.0	210.8 2/	213.0	222.4	217.0
Local Education	109.9	110.6	112.8	113.3	113.8	114.2	113.6	96.3	91.6	104.7 2/	113.6	117.2	117.3
WORKERS IN LABOR-MANAGEMENT DISPUTES	0.4	0.0	0.0	0.0	0.0	0.0	0.8	0.8	0.0	1.0	0.3	1.1	0.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

2/ Workers excluded because of involvement in labor-management disputes.

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Washington
LABOR MARKET

March 1992

JOB SERVICE

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In cooperation with the
Employment and Training
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U.S. Department of Labor

Highlights

Zzzzz... Zzzzz... Zzzzz...

Washington's economy inched forward in February to little fanfare... but forward all the same. Nonfarm wage and salary employment in Washington grew 0.4 percent from January to February in seasonally-adjusted terms. This translated into a 8,100 worker gain. Growth was about the same in unadjusted terms at 0.3 percent. That reflected a 7,300 worker increase to push nonfarm employment to 2,156,600. Year-over-year growth was 2.1 percent in adjusted and non-adjusted terms, adding 44,300 new workers.

Overall, February in Washington was relatively nondescript as labor market activity goes. Employment moved in fairly typical fashion with milder than usual weather conditions generally

Volume 16, Number 3

sustaining job levels in construction, trade and services. Still, you gotta love it.

Perhaps most notable was the fact that Washington's nonfarm employment and unemployment rate rose simultaneously. This seeming contradiction is all part of the nature of economic turning points. Some call it the "darkness before the dawn" (though "darkness" is perhaps a bit strong).

Darkness Before the Dawn

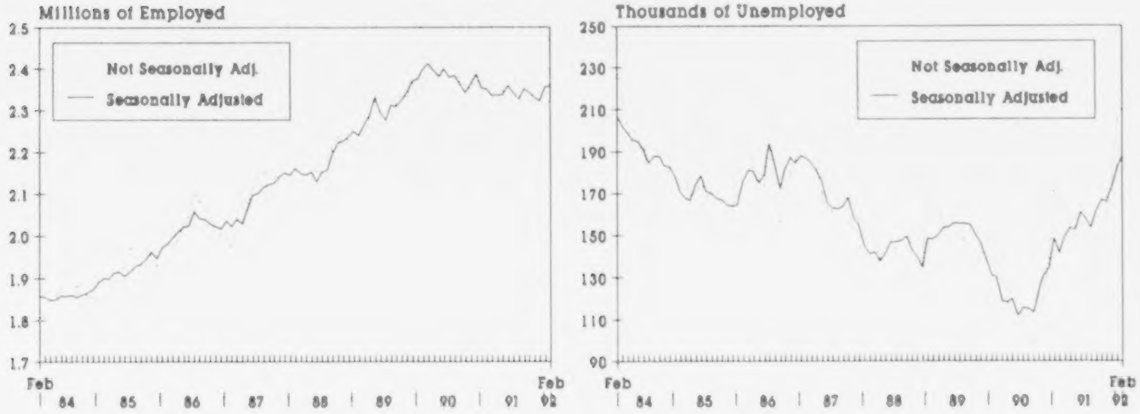
Disparate patterns of nonfarm employment and unemployment rate activity can be puzzling, and certainly counterintuitive. But is it really such a contradiction? Not really. This is because the unemployment rate is a lagging economic indicator. It usually does not start to recede until after an economic recovery is underway. There are a couple of reasons.

On the business side, firms may be reluctant to resume hiring until they are sure the rising demand they witness is for real. On the labor side people may not seriously begin looking for work until they are convinced the economy has bottomed out, that a recovery is underway, and that jobs will become available. Under these circumstances, the unemployment rate can increase even while the economy is expanding as these workers search for employment. This is essentially what's happening now in Washington.

This is not a unique phenomenon. In five of the eight recessions since World War II, the unemployment rate did not subside until 1 to 2 months after the recovery commenced. In the other three recessions, moreover, it continued to worsen for 5 to 11 months after the recovery began. How fast Washington's jobless rate improves is tied to the pace of economic recovery. And the current pattern shows a very slow but steady rate of growth.

Labor force activity will also determine the rate at which Washington's unemployment rate subsides. Many believe slow labor force growth (i.e., Baby Bust or Birth Dearth) kept unemployment rates down inordinately in this recession. Fewer new entrants into the labor force meant fewer people flooding the workforce and competing for scarce jobs. Washington felt some of this, but in-migration is projected to continue at least a short while longer, possibly acting as a counterweight.

Washington State Total Resident Employment and Unemployment
February 1984 - February 1992



Source: Employment Security Department

LABOR FORCE AND UNEMPLOYMENT

Washington's seasonally-adjusted unemployment rate increased two-tenths of a percentage point in February to 7.4 percent. This was the highest since May 1987. The rate inched steadily upward as the state's economy slowed over the past 18 months. Indeed, nearly three percentage points have been added to Washington's jobless rate since mid-1990. Moreover, the rate gap favoring Washington over the nation has disappeared as the U.S. average of 7.3 percent in February was roughly comparable to that in Washington.

At the same time, Washington's nonfarm wage and salary employment rose over the month by adding 7,300 workers. Most of this reflected normal seasonal gains, especially in services (+3,900) and government (+8,700). Services increases were concentrated in educational services (+1,000), health services (+300) and amusements and recreation (+1,000). Gearing up for the winter quarter at public colleges and universities boosted state government employment by 5,100. Meanwhile, school levy elections added 3,500 workers to local government payrolls, though only temporarily.

Compared to a year ago, Washington's nonfarm wage and salary employment was up 44,300 from last February. Half of that growth came in services (+22,000), while a third came in government (+16,200). Construction and trades were up 800 and 6,300, respectively. Holding down overall gains was manufacturing which fell 4,800, largely in primary metals (-700), industrial machinery (-1,400) and transportation equipment (-2,900), including aerospace.

Washington's growing nonfarm employment in February might be considered notable for the fact that it reflected growth both monthly and over the year *after* being seasonally-adjusted. Seasonally-adjusted figures show the state adding 8,100 workers in February, a 0.4 percent increase over the month. Washington has added roughly 20,000 workers (seasonally adjusted) in the first two months on this year.

A quick look at Washington's resident civilian labor force indicates 0.8 percent growth in February on a not seasonally-adjusted basis. Over the year, it grew 2.2 percent. Both are somewhat low by historic standards, but their positive postures are nothing to pooh-pooh.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Feb 1992 *Preliminary*	Jan 1992 *Revised*	Feb 1991
Seasonally Adjusted:			
State Unemployment Rate	7.5%	7.2%	5.7%
National Unemployment Rate	7.3%	7.1%	6.5%
Not Seasonally Adjusted:			
Resident Civilian Labor Force	2,534,100	2,514,600	2,480,300
Employment	2,323,500	2,309,300	2,316,000
Unemployment	210,600	205,300	164,300
Unemployment Rate	8.3%	8.2%	6.6%

Source: Employment Security Department; Bureau of Labor Statistics

AREA TRENDS

Central Puget Sound Sets the Pace

By and large, Washington's most populous metropolitan counties - King, Kitsap, Pierce and Snohomish - came in at or below the statewide unemployment rate in February.

Nevertheless, these counties - namely those representing central Puget Sound - served as principal economic drivers for the state in general.

Not seasonally adjusted data for King, Kitsap, Pierce and Snohomish counties combined show that those counties' jobless rates rose 1.7 percentage points from February 1991 to February 1992, mirroring the statewide increase. This pattern suggests that those four counties largely directed the overall state unemployment rate.

Of Washington's metro areas, the Seattle PMSA and Yakima MSA posted the lowest and highest jobless rates, respectively, at 6.3 percent and 15.4 percent in February. By the same token, the Yakima MSA also showed big improvement in its unemployment rate by shedding nearly one-and-a-half percentage points over the month. The Tacoma MSA and Bellingham MSA experienced the greatest upticks at 0.4 percent over the month. The Spokane MSA's rate was virtually unchanged.

The Tri-Cities MSA had the smallest yearly increase at just over a point (due largely to a half point decline in Franklin County's jobless rate) while the Vancouver MSA saw the greatest year-over-year gain at nearly two-and-a-half percentage points.

Back to the Farm

The unemployment rate eased by the slightest margin in agriculture-based eastern Washington to 11.5 percent in February from 11.6 percent a month earlier. It wasn't spectacular, but it was better than the movement in the metropolitan areas. The ease was propelled by spring planting activity that saw monthly jobless rates fall significantly in farm-based Adams, Douglas, Garfield, Grant and Walla Walla counties.

The jobless rate decline, however, was not as pronounced as the previous year when it fell more than a half of a percentage point. This might be due to less favorable economic conditions and possibly a relatively mild winter that masked an otherwise more distinct seasonal transition.

Some agriculturally-based counties led the state with the lowest jobless rates for the month. Whitman County - with Washington State University as a weighty influence - continued to boast the lowest jobless rate at 3.7 percent in February. Garfield County, as a regional health care center, had the second-lowest jobless rate at 5.1 percent. At the same time, some agriculture-based counties were among those with the highest jobless rates: Adams at 20.8 percent and Klickitat at 18.6 percent.

Palpable Economic Pain

Timber-dependent areas continued to experience the highest unemployment rates in Washington at a combined 13.3 percent in February, up from 13.0 percent in January. Oddly enough, monthly jobless rates fell in some timber-dependent counties (Grays Harbor, Pacific and Wahkiakum) and held essentially flat in others (Clallam, Lewis and Mason).

So why the uptick? The answer lies in highly timber-dependent Skamania County where the economic pain is palpable. Its February jobless rate was 34.9 percent - up more than five percentage points for the month and nearly 10 percentage points for the year. Suffice it to say, some pain is evident across the board as all timber-dependent counties stayed at double-digit unemployment in February.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Feb 1992	Jan 1992	Feb 1991
Washington State Total	8.3%	8.2%	6.6%
Metropolitan Areas	7.5%	7.4%	5.9%
Log & Lumber Areas	13.3%	13.0%	10.9%
All Western WA Areas	7.4%	7.2%	5.7%
All Eastern WA Areas	11.5%	11.6%	10.1%

Source: Employment Security Department

INDUSTRY DEVELOPMENTS

Hong Kong Sings Boeing's Song ...

Hong Kong-based Cathay Pacific Airways announced that it would order eleven 777s at $1.7 billion with options on eleven more for a total potential deal worth $3.4 billion.

The order was especially sweet for Boeing coming in the midst of a terrible year for the airline industry. Thus far, eight airlines have ordered 99 of the new-generation 777s and placed options for an additional 86. The first of these 777s is expected to roll off the line in May 1995 for delivery to United Airlines.

... While Boeing Warns Workers

The Boeing Company issued separation notices to 2,123 employees in April in accordance with federal regulations requiring 60 days advanced notice. The reduction is being forced by defense cuts and slowdowns in 737 production. Over the course of 1992, the aerospace giant expects to reduce its payroll 8,000 worldwide, 6,500 of which are here in the Puget Sound region. Of the 6,300 workers receiving warnings to date, only 450 have actually been laid off.

Boeing workers are not the only ones hurt by defense cuts and production slowdown. Local aerospace subcontractors are feeling the pinch as well. Everett-based All Star Aerospace, which makes machined aerospace parts, issued warning notices to all 120 workers at its Shelton plant in order to consolidate operations at its Everett plant.

(Lack of) Salmon Scuttles Season

Those along the Washington coast, Strait of Juan de Fuca and Puget Sound who depend either directly or indirectly on salmon for their livelihoods are reeling following the federal Pacific Fisheries Management Council's ban on salmon fishing in the Strait and limits on the coastal coho salmon catch. The council voted to restrict non-Indian fishing of coho off the coasts and Washington and Oregon to half of last year's catch. The outright ban on the Strait extends across October and September of this year, and threatens to adversely impact commercial and recreational fishers, Native Americans and non-Native Americans, charter boat and resort operators and other indirect beneficiaries. The impact is potentially staggering when one considers the enormous losses brought to bear during last year's comparatively minor 13-day ban. As a result, affected parties will likely migrate to waters off Canada and Alaska. The council's action is subject to approval by the U.S. Secretary of Commerce.

Columbia Basin's Water Woes

Farmers in the Columbia Basin and elsewhere in the state, may face the most severe water shortage in 15 years. This is the culmination of many different factors. First and foremost, of course, is the extremely mild winter and spring. Rain and the snowpack are both well below normal for the year. But there is also more competition for scarce water resources than ever before. Farmer-irrigators are no longer the more or less sole users of Columbia Basin water. The fast-growing residential populace of central Washington consumes a growing share, as does the fast-developing food processing industry. The latest "wild card" is salmon. River drawdowns, if fully embraced to enhance the species, will mean sacrifice on the part of all parties as millions of cubic feet of water are diverted from other uses and released to flush smolt downstream.

Winter Wheat Wields Wealth

Further east in Washington's wheat country, though, farmers are enjoying some of the best economic times in nearly a decade as the price of their product has nearly doubled over the past year. This economic surge is expected to sustain itself over the near term thanks to fast-growing export markets and Russian grain credit guarantees. Grain prices will eventually start down, though, as the high price attracts more foreign growers into the world market. But for now, life is relatively good.

Mountain of Metals Not Worth Hill of Beans

Falling prices of gold and other precious metals have induced closure of several mines in northeastern Washington. Fluctuating metal prices and their impact on the mining industry are nothing new. However, they did serve to effectively end the regional enthusiasm generated when Canadian mining concerns began setting up ventures here last year.

There is, however, guarded optimism that at least some metal prices will soon reach the threshold necessary to justify reopening the mines. At this point, the most favorable outlooks are for zinc and gold.

Banking on BIGNESS

The merger that saw the marriage of Seafirst and Security Pacific Bank of Washington through their Bank of America and Security Pacific Bank parents is signed, sealed and being delivered. The physical transfer of authority took place the weekend of April 25-26 as 82 Security Pacific branches were transformed into Seafirst branches. When the dust settles, employment losses stemming from the merger should end up at around 500, according to Seafirst Chairman Luke Helms. Meanwhile, no immediate layoffs are expected following the purchase of 86 Security Pacific branches by Key Bank Corp (in eastern Washington) and West One Bancorp (in western Washington).

Attention is now turning to the merger-acquisition of Tacoma-based Puget Sound Bancorp by New York-based KeyCorp. The acquisition is expected to result in the elimination of Puget Sound Bancorp's Tacoma-based computer center by folding its operations into KeyCorp's Tigard, Oregon center. Also expected is the dissolution of two dozen or so overlapping branches in Washington. Potential employment losses stemming from these actions has not yet been determined.

On the Road Again

With spring upon us and summer just around the corner, road construction and upgrading is moving into full swing - much to the chagrin of commuters and other travelers. Construction employment, however, should expand as more than 150 Department of Transportation projects get underway this spring, many continuing through the end of fall. Among the biggest undertakings: replacing sunken sections of I-90 across Lake Washington, adding carpool lanes to I-405 through Bellevue and Renton, and widening US 101 from four lanes to six lanes in the Olympia area.

NATIONAL INDICATORS

Up, Up... Down... Up...

As reported last month, final estimates for the fourth quarter of 1991 show that real national Gross Domestic Product increased at an annual rate of 0.4 percent (a downward revision from the preliminary estimate of 0.8 percent).

The composite index of leading indicators continued to reflect signs of recovery as it climbed slightly more than one basis point (0.8 percent) in February. This is the second consecutive month the index has shown positive movement.

Hail To The Fed

The Federal Reserve cut its discount rate (the rate charged to member banks) a quarter point from 4 percent to 3.75 percent. The move was an attempt to prop up the economy. The move is not, however, expected to see commercial lenders lower their prime rates below the current 6.5 percent.

Factory orders rose for the third straight month in February, providing added evidence of a gradual manufacturing rebound. New orders edged up 0.7 percent over the month. A closer look reveals that the consumer goods and materials side was up a strong 2.2 percent, but was checked by a 0.3 percent dip on the durable goods side. Unfilled durable goods orders, in a further positive development, continued to fall over the month.

Housing Awakens From The Dead

New private home building permits, a relative proxy for housing starts, climbed nearly four-and-a-half basis points (or 5 percent) in February. This was the third consecutive monthly expansion posted by the measure.

The money supply (M2) expanded by more than 12 basis points in February. This was the first sign of relatively healthy expansion following a combined expansion of only six-and-a-half basis points over the three prior months.

Residual effects of a looser money supply emerged in the Consumer Price Index, All Urban Consumers. The CPI-U climbed 0.4 percent in February. The Producer Price Index, for its part, edged up a scant 0.2 percent in February. Indeed, the PPI's core rate of inflation (excluding food and energy) increased an even lesser 0.1 percent. Despite the higher than anticipated rise in the CPI and because of the barely perceptible gain in the PPI, most observers consider inflation to be well under control.

Employment Firming, But Still Mixed

On the employment front, national nonfarm employment rose about 164,000 in February following a 149,000 contraction the previous month. Average weekly hours worked in manufacturing increased to 41.1 hours after also contracting the prior month. Average weekly unemployment insurance (UI) claims, a leading indicator, continued to decline in February. However, the average duration of unemployment, a lagging indicator, inched upward for the seventh consecutive month to 17 weeks (from 16.4 in January).

SPECIAL INTEREST ITEM

Seasons Change... NOT

Beginning this month, Washington's unemployment rate will be posted on both unadjusted and seasonally-adjusted bases where previously only the former was issued. There is a rational explanation for the adjustment.

Washington is subject to sharp fluctuations of economic activity due to seasonal factors such as weather, farm production and harvests, tourism and recreation volume, and opening and closing of schools. Each occurs in a regular sequence during the year. Seasonal adjustment removes the normal fluctuation from the underlying economic trend, thus providing a clearer picture of real month-to-month movement. The national data are always reported in this manner.

No Change For The Counties

Sub-state or county unemployment rates will continue to be reported only on an unadjusted basis. All comparisons between the counties and state will be limited to a raw reporting of numbers. Due care must be exercised to assure that only like rates are compared locally.

There is no change in the procedure for collecting and calculating the inputs to the monthly estimate of Washington's labor force and total number of employment and unemployed. A mathematical factor is simply applied to the final results, which essentially identify the amount of change that would be expected over the month based on past experience. Any movement above or below that average is considered attributable to cyclical and other non-seasonal influences acting on the economy.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Feb 92	Jan 92	Feb 91	Jan 92	Feb 91
	138.6	138.1	134.8	0.4%	2.8%
Seattle†	Jul-Dec 1991	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1991	Jul-Dec 1990
	135.2	133.0	129.4	1.7%	4.5%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Gary Kamimura, Economic Analyst

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Feb 1992 (Prel)	Jan 1992 (Rev)	Feb 1991 (Rev)	Jan 1991 (Rev)	Numeric Change Jan 1992 to Feb 1992	Numeric Change Feb 1991 to Feb 1992
Total Nonagricultural Wage & Salary	2,156.6	2,149.3	2,112.3	2,103.4	7.3	44.3
Manufacturing	342.0	343.2	346.8	346.5	-1.2	-4.8
Durable Goods	245.4	246.6	250.7	251.6	-1.2	-5.3
Lumber & Wood Products	35.4	35.3	35.4	35.3	0.1	0.0
Logging	8.4	8.5	8.1	7.8	-0.1	0.3
Sawmills & Plywood	23.8	23.7	23.7	24.0	0.1	0.1
Furniture & Fixtures	3.7	3.7	3.7	3.7	0.0	0.0
Stone, Clay & Glass	7.2	7.2	7.3	7.1	0.0	-0.1
Primary Metals	11.8	12.0	12.5	12.6	-0.2	-0.7
Aluminum	8.4	8.4	8.8	8.8	0.0	-0.4
Fabricated Metals	11.5	11.5	11.7	12.0	0.0	-0.2
Industrial Machinery & Equipment	18.9	18.9	20.3	20.3	0.0	-1.4
Computer & Office Equipment	6.1	6.1	6.5	6.5	0.0	-0.4
Electronic & Other Electrical Equipment	11.1	11.2	11.5	11.3	-0.1	-0.4
Transportation Equipment	125.3	126.2	128.2	129.1	-0.9	-2.9
Aircraft & Parts	113.8	114.3	115.1	115.6	-0.5	-1.3
Instruments & Related	13.6	13.6	13.6	13.6	0.0	0.0
Miscellaneous Manufacturing	6.9	7.0	6.5	6.6	-0.1	0.4
Nondurable Goods[3]	96.6	96.6	96.1	94.9	0.0	0.5
Food & Kindred Products	34.7	34.6	35.0	34.2	0.1	-0.3
Preserved Fruits & Vegetables	11.2	11.1	11.4	10.8	0.1	-0.2
Textiles, Apparel & Leather	8.1	8.1	7.6	7.4	0.0	0.5
Paper & Allied Products	17.7	17.8	17.8	17.6	-0.1	-0.1
Printing & Publishing	22.2	22.3	22.3	22.2	-0.1	-0.1
Chemicals & Allied Products[3]	5.5	5.4	5.1	5.0	0.1	0.4
Petroleum, Coal, Plastics	8.4	8.4	8.3	8.5	0.0	0.1
Mining & Quarrying	3.7	3.8	3.5	3.6	-0.1	0.2
Construction	107.7	107.8	106.9	104.8	-0.1	0.8
General Building Contractors	32.9	32.6	32.7	32.1	0.3	0.2
Heavy Construction, except Buildings	14.0	14.3	13.8	13.0	-0.3	0.2
Special Trade Contractors	60.8	60.8	60.4	59.7	0.0	0.4
Transportation, Communications & Utilities	111.7	111.8	108.8	110.0	-0.1	2.9
Transportation	76.9	76.7	74.0	75.3	0.2	2.9
Trucking & Warehousing	29.9	29.8	28.9	30.0	0.1	1.0
Water Transportation	10.0	9.9	8.8	9.0	0.1	1.2
Transportation by Air	15.9	15.9	15.4	15.5	0.0	0.5
Communications	24.6	24.9	24.9	24.9	-0.3	-0.3
Electric, Gas & Sanitary Services	10.2	10.2	9.9	9.8	0.0	0.3
Wholesale & Retail Trade	511.0	515.2	504.7	509.1	-4.2	6.3
Wholesale Trade	127.3	126.5	126.3	126.2	0.8	1.0
Retail Trade	383.7	388.7	378.4	382.9	-5.0	5.3
General Merchandise	37.6	40.1	37.9	40.4	-2.5	-0.3
Food Stores	63.7	63.8	61.1	61.6	-0.1	2.6
Eating & Drinking	138.0	138.0	135.7	134.8	0.0	2.3
Finance, Insurance & Real Estate	115.3	114.9	114.6	114.2	0.4	0.7
Finance	51.3	50.8	50.7	50.6	0.5	0.6
Services	539.2	535.3	517.2	511.3	3.9	22.0
Hotels & Lodging	24.9	24.7	23.2	23.1	0.2	1.7
Personal Services	21.2	20.7	21.6	21.1	0.5	-0.4
Business Services	82.9	82.9	80.5	80.1	0.0	2.4
Health Services	160.2	159.9	151.0	150.1	0.3	9.2
Educational Services	25.8	24.8	24.5	23.3	1.0	1.3
Social Services[3]	40.9	41.0	38.8	38.2	-0.1	2.1
Eng. & Management Services[3]	57.0	56.6	54.9	54.1	0.4	2.1
Government	426.0	417.3	409.8	403.9	8.7	16.2
Federal	72.0	71.9	71.2	71.4	0.1	0.8
State	124.9	122.9	121.6	119.1	2.0	3.3
State Education	65.8	63.8	64.5	62.6	2.0	1.3
Local	229.1	222.5	217.0	213.4	6.6	12.1
Local Education	122.4	120.4	118.6	116.1	2.0	3.8
Workers in Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

[3] Data not comparable with previous years because of end-of-year industry code changes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

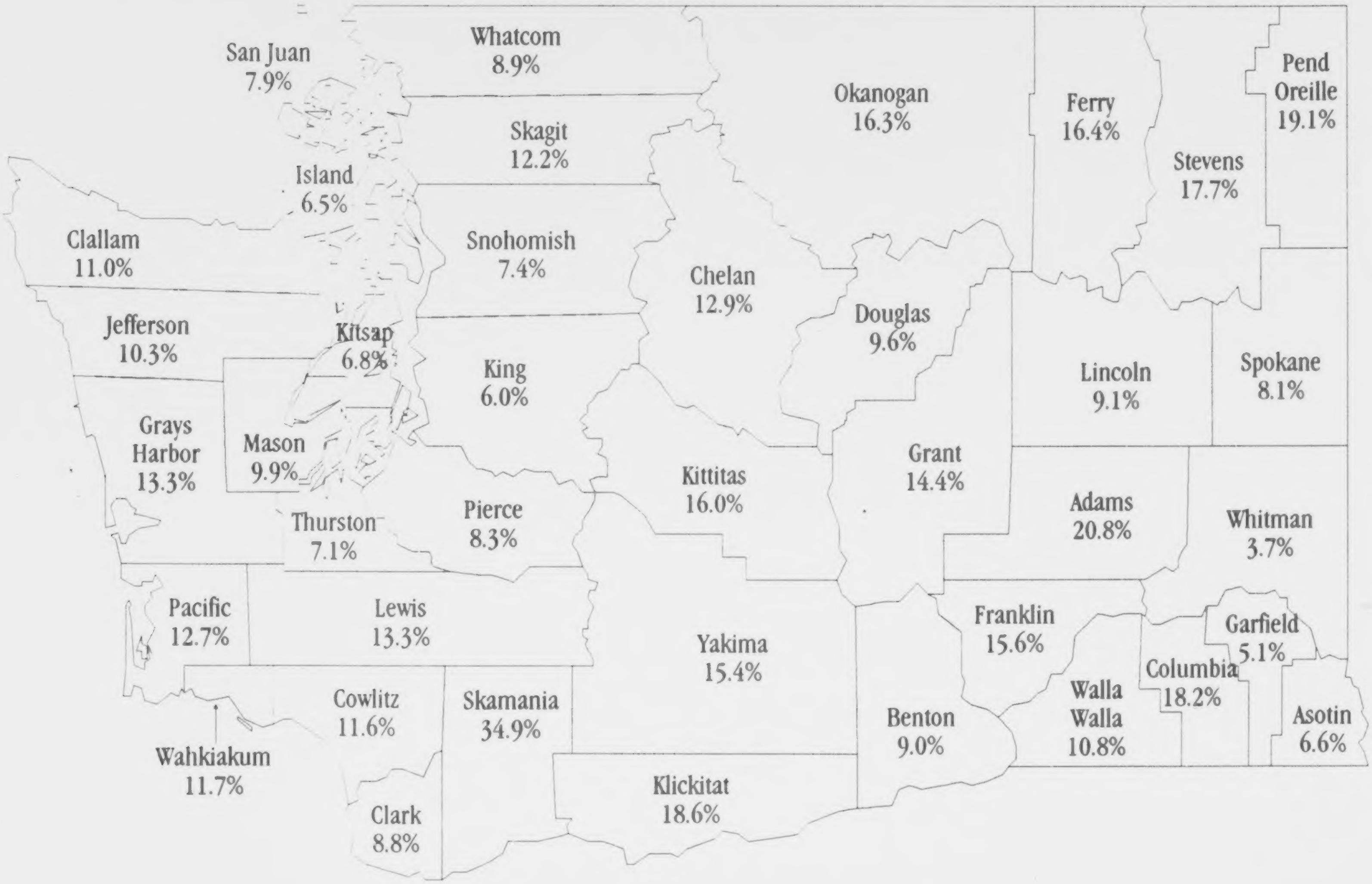
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 3/31/92
Benchmark: 1991

Not Seasonally Adjusted	February 1992 Preliminary†				January 1992 Revised†				February 1991 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,534,100	2,323,500	210,600	8.3	2,514,600	2,309,300	205,300	8.2	2,480,300	2,316,000	164,300	6.6
Bellingham MSA	70,700	64,400	6,300	8.9	70,300	64,300	6,000	8.5	68,500	63,600	4,900	7.2
Bremerton MSA	85,900	80,100	5,800	6.8	85,200	79,700	5,500	6.5	83,000	78,800	4,200	5.1
Olympia MSA	88,200	81,900	6,300	7.1	86,900	81,000	5,900	6.8	84,200	79,300	4,900	5.8
Seattle PMSA	1,129,300	1,058,500	70,800	6.3	1,123,500	1,054,900	68,600	6.1	1,118,700	1,066,600	52,100	4.7
King County ‡	889,500	836,300	53,200	6.0	884,500	833,500	51,000	5.8	881,300	842,700	38,600	4.4
Snohomish County ‡	239,900	222,200	17,700	7.4	239,000	221,400	17,600	7.4	237,400	223,900	13,500	5.7
Spokane MSA	177,300	162,900	14,400	8.1	175,800	161,700	14,100	8.0	173,100	160,900	12,200	7.0
Tacoma PMSA	261,400	239,800	21,600	8.3	260,000	239,400	20,600	7.9	254,100	237,300	16,800	6.6
Tri-Cities MSA	75,200	67,300	7,900	10.5	74,300	66,500	7,800	10.5	72,200	65,400	6,800	9.4
Benton County ‡	57,900	52,700	5,200	9.0	57,000	52,100	4,900	8.6	55,200	51,200	4,000	7.2
Franklin County ‡	17,300	14,600	2,700	15.6	17,400	14,500	2,900	16.7	16,900	14,200	2,700	16.0
Vancouver PMSA	129,900	118,500	11,400	8.8	128,900	117,800	11,100	8.6	125,800	117,800	8,000	6.4
Yakima MSA	99,100	83,800	15,300	15.4	97,600	81,200	16,400	16.8	94,400	81,100	13,300	14.1
Adams	7,410	5,870	1,540	20.8	7,470	5,830	1,640	22.0	7,150	6,010	1,140	15.9
Asotin	9,680	9,040	640	6.6	9,590	9,000	590	6.2	9,300	8,650	650	7.0
Clallam	24,640	21,920	2,720	11.0	24,330	21,700	2,630	10.8	24,000	21,830	2,170	9.0
Columbia	1,590	1,300	290	18.2	1,540	1,270	270	17.5	1,400	1,150	250	17.9
Cowlitz	39,310	34,740	4,570	11.6	39,000	34,680	4,320	11.1	39,510	36,540	2,970	7.5
Ferry	3,300	2,760	540	16.4	3,240	2,820	420	13.0	3,050	2,630	420	13.8
Garfield	980	930	50	5.1	970	910	60	6.2	920	870	50	5.4
Grant	27,790	23,800	3,990	14.4	27,310	23,240	4,070	14.9	26,850	23,290	3,560	13.3
Grays Harbor	26,440	22,920	3,520	13.3	26,510	22,960	3,550	13.4	27,850	24,680	3,170	11.4
Island	22,770	21,300	1,470	6.5	22,710	21,350	1,360	6.0	22,400	21,270	1,130	5.0
Jefferson	8,930	8,010	920	10.3	8,760	7,890	870	9.9	8,560	7,950	610	7.1
Kittitas	13,620	11,440	2,180	16.0	13,240	11,220	2,020	15.3	12,920	11,400	1,520	11.8
Klickitat	7,890	6,420	1,470	18.6	7,600	6,290	1,310	17.2	7,450	6,090	1,360	18.3
Lewis	26,460	22,930	3,530	13.3	26,180	22,720	3,460	13.2	25,450	22,610	2,840	11.2
Lincoln	4,070	3,700	370	9.1	4,000	3,640	360	9.0	4,130	3,820	310	7.5
Mason	15,060	13,570	1,490	9.9	14,850	13,390	1,460	9.8	13,970	12,630	1,340	9.6
Okanogan	17,600	14,740	2,860	16.3	17,310	14,500	2,810	16.2	16,900	14,330	2,570	15.2
Pacific	8,090	7,060	1,030	12.7	8,000	6,950	1,050	13.1	7,620	6,780	840	11.0
Pend Oreille	3,460	2,800	660	19.1	3,410	2,810	600	17.6	3,210	2,640	570	17.8
San Juan	5,850	5,390	460	7.9	5,940	5,470	470	7.9	5,720	5,470	250	4.4
Skagit	41,560	36,470	5,090	12.2	41,230	36,180	5,050	12.2	38,970	35,130	3,840	9.9
Skamania	2,380	1,550	830	34.9	2,350	1,650	700	29.8	2,320	1,740	580	25.0
Stevens	12,000	9,880	2,120	17.7	11,940	10,080	1,860	15.6	11,950	10,300	1,650	13.8
Wahkiakum	1,200	1,060	140	11.7	1,180	1,040	140	11.9	1,130	1,020	110	9.7
Walla Walla	23,320	20,810	2,510	10.8	23,100	20,550	2,550	11.0	22,610	20,430	2,180	9.6
Wenatchee Labor Area	42,690	37,650	5,040	11.8	41,950	36,920	5,030	12.0	41,660	37,150	4,510	10.8
Chelan County ‡	28,650	24,960	3,690	12.9	28,070	24,480	3,590	12.8	27,800	24,630	3,170	11.4
Douglas County ‡	14,040	12,690	1,350	9.6	13,890	12,450	1,440	10.4	13,860	12,520	1,340	9.7
Whitman	18,880	18,190	690	3.7	18,300	17,680	620	3.4	19,590	19,080	510	2.6

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

February 1992 Unemployment Rates
State of Washington = 8.3%


San Juan
7.9%
Whatcom
8.9%
Skagit
12.2%
Okanogan
16.3%
Ferry
16.4%
Stevens
17.7%
Pend
Oreille
19.1%
Island
6.5%
Clallam
11.0%
Snohomish
7.4%
Chelan
12.9%
Douglas
9.6%
Jefferson
10.3%
Kitsap
6.8%
King
6.0%
Lincoln
9.1%
Spokane
8.1%
Grays
Harbor
13.3%
Mason
9.9%
Kittitas
16.0%
Grant
14.4%
Adams
20.8%
Whitman
3.7%
Thurston
7.1%
Pierce
8.3%
Pacific
12.7%
Lewis
13.3%
Franklin
15.6%
Garfield
5.1%
Yakima
15.4%
Columbia
18.2%
Walla
Walla
10.8%
Asotin
6.6%
Cowlitz
11.6%
Skamania
34.9%
Benton
9.0%
Wahkiakum
11.7%
Klickitat
18.6%
Clark
8.8%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary November Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Feb 92	Jan 92	Feb 91	Feb 92	Jan 92	Feb 91	Feb 92	Jan 92	Feb 91
Total Manufacturing Industries†	198,951	$544.24	$535.89	$522.84	39.9	39.7	39.4	$13.64	$13.50	$13.27
Selected Manufacturing Industries										
Lumber and Wood Products	29,104	$481.92	$455.00	$446.59	40.6	38.3	38.8	$11.87	$11.88	$11.51
Primary Metal Industries	9,316	$580.84	$606.77	$563.79	41.4	42.7	42.2	$14.03	$14.21	$13.36
Fabricated Metal Products	9,144	$515.75	$500.39	$502.21	39.4	38.7	39.7	$13.09	$12.93	$12.65
Machinery	18,664	$430.56	$426.09	$420.62	39.0	38.7	39.2	$11.04	$11.01	$10.73
Food and Kindred Products	24,373	$400.22	$403.48	$346.56	37.9	38.5	34.9	$10.56	$10.48	$9.93
Chemical and Allied Products	2,122	$615.71	$637.30	$753.14	41.8	42.6	45.7	$14.73	$14.96	$16.48
Transportation Equipment	53,035	$722.18	$726.13	$680.99	41.6	41.9	41.6	$17.36	$17.33	$16.37
Selected Nonmanufacturing Industries										
Construction	81,172	$677.47	$676.75	$669.75	37.0	36.9	37.5	$18.31	$18.34	$17.86
Wholesale and Retail Trade (Includes eating and drinking establishments)	445,228	$304.00	$294.33	$256.67	31.7	30.5	29.2	$9.59	$9.65	$8.79

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch
April 24, 1992

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE
(BENCHMARK: MARCH 1991) 1/ 2/

	ANNUAL AVERAGE	January	February	March	April	May	June	July	August	September	October	November	December
1991 3/													
Civilian Labor Force	2,497,000	2,476,600	2,480,300	2,474,000	2,486,600	2,486,800	2,547,800	2,533,300	2,495,000	2,497,200	2,511,500	2,476,600	2,498,300
Total Employment	2,340,000	2,305,200	2,316,000	2,310,300	2,331,900	2,340,700	2,392,600	2,379,600	2,351,900	2,352,600	2,361,000	2,315,700	2,322,400
Total Unemployment	157,000	171,400	164,300	163,700	154,700	146,100	155,200	153,700	143,100	144,600	150,500	160,900	175,900
Percent of Labor Force	6.3	6.9	6.6	6.6	6.2	5.9	6.1	6.1	5.7	5.8	6.0	6.5	7.0
1990 3/													
Civilian Labor Force	2,503,000	2,480,300	2,514,700	2,520,600	2,510,400	2,497,200	2,537,400	2,529,300	2,514,100	2,461,500	2,468,400	2,475,300	2,527,000
Total Employment	2,381,000	2,326,900	2,361,400	2,387,500	2,391,200	2,383,800	2,431,300	2,417,400	2,408,600	2,364,800	2,361,300	2,349,200	2,388,600
Total Unemployment	122,000	153,400	153,300	133,100	119,200	113,400	106,100	111,900	105,500	96,700	107,100	126,100	138,400
Percent of Labor Force	4.9	6.2	6.1	5.3	4.7	4.5	4.2	4.4	4.2	3.9	4.3	5.1	5.5
1989 3/													
Civilian Labor Force	2,451,000	2,373,800	2,370,600	2,406,100	2,437,700	2,482,400	2,473,700	2,469,800	2,486,100	2,451,900	2,478,000	2,468,500	2,513,100
Total Employment	2,300,000	2,204,000	2,199,400	2,241,200	2,283,000	2,334,900	2,324,200	2,317,300	2,339,700	2,312,900	2,344,600	2,327,500	2,371,300
Total Unemployment	151,000	169,800	171,200	164,900	154,700	147,500	149,500	152,500	146,400	139,000	133,400	141,000	141,800
Percent of Labor Force	6.2	7.2	7.2	6.9	6.3	5.9	6.0	6.2	5.9	5.7	5.4	5.7	5.6
1988													
Civilian Labor Force	2,316,000	2,266,300	2,280,600	2,280,000	2,280,600	2,292,000	2,295,100	2,339,300	2,328,900	2,338,000	2,370,900	2,348,600	2,371,700
Total Employment	2,173,000	2,099,900	2,116,100	2,122,800	2,141,800	2,157,100	2,154,600	2,195,100	2,190,200	2,203,800	2,244,900	2,214,300	2,235,400
Total Unemployment	143,000	166,400	164,500	157,200	138,800	134,900	140,500	144,200	138,700	134,200	126,000	134,300	136,300
Percent of Labor Force	6.2	7.3	7.2	6.9	6.1	5.9	6.1	6.2	6.0	5.7	5.3	5.7	5.7
1987													
Civilian Labor Force	2,258,000	2,199,000	2,184,600	2,211,800	2,204,900	2,238,800	2,278,800	2,310,700	2,307,400	2,282,500	2,299,500	2,279,800	2,298,300
Total Employment	2,087,000	1,989,700	1,974,400	2,012,100	2,022,700	2,068,700	2,119,500	2,149,000	2,153,800	2,134,100	2,148,900	2,128,300	2,142,900
Total Unemployment	171,000	209,300	210,200	199,700	182,200	170,100	159,300	161,700	153,600	148,400	150,600	151,500	155,400
Percent of Labor Force	7.6	9.5	9.6	9.0	8.3	7.6	7.0	7.0	6.7	6.5	6.5	6.6	6.8
1986													
Civilian Labor Force	2,198,000	2,109,900	2,130,100	2,162,400	2,183,000	2,197,700	2,218,500	2,303,900	2,259,900	2,213,000	2,217,500	2,191,400	2,188,600
Total Employment	2,018,000	1,923,800	1,930,700	1,966,000	2,000,700	2,027,500	2,044,900	2,110,000	2,084,800	2,057,600	2,053,500	2,011,700	2,004,700
Total Unemployment	180,000	186,100	199,400	196,400	182,300	170,200	173,600	193,900	175,100	155,400	164,000	179,700	183,900
Percent of Labor Force	8.2	8.8	9.4	9.1	8.4	7.7	7.8	8.4	7.7	7.0	7.4	8.2	8.4
1985													
Civilian Labor Force	2,091,000	2,039,600	2,042,100	2,049,400	2,069,800	2,086,900	2,100,500	2,143,200	2,134,800	2,105,000	2,118,300	2,109,000	2,093,400
Total Employment	1,921,000	1,839,700	1,848,300	1,866,900	1,900,600	1,916,500	1,926,800	1,970,900	1,974,400	1,955,700	1,969,400	1,952,600	1,930,200
Total Unemployment	170,000	199,900	193,800	182,500	169,200	170,400	173,700	172,300	160,400	149,300	148,900	156,400	163,200
Percent of Labor Force	8.1	9.8	9.5	8.9	8.2	8.2	8.3	8.0	7.5	7.1	7.0	7.4	7.8
1984													
Civilian Labor Force	2,051,000	2,022,100	2,036,800	2,041,100	2,033,700	2,041,700	2,070,700	2,109,100	2,084,200	2,048,200	2,055,400	2,032,400	2,036,600
Total Employment	1,857,000	1,786,700	1,807,500	1,824,900	1,831,700	1,849,500	1,879,700	1,916,300	1,909,200	1,880,100	1,886,300	1,857,300	1,854,900
Total Unemployment	194,000	235,400	229,300	216,200	202,000	192,200	191,000	192,800	175,000	168,100	169,100	175,100	181,700
Percent of Labor Force	9.5	11.6	11.3	10.6	9.9	9.4	9.2	9.1	8.4	8.2	8.2	8.6	8.9

1/ Prepared in cooperation with the Bureau of Labor Statistics.
2/ Monthly data for all years were revised using new Bureau of Labor Statistics methodology introduced in January 1989.
3/ Data for 1989, 1990 and 1991 were revised in March 1992 incorporating updated information on industry employment.
Note: Detail may not add nor divide due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch
April 3, 1992

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE
SEASONALLY ADJUSTED
(BENCHMARK: MARCH 1991) 1/ 2/

	ANNUAL AVERAGE	January	February	March	April	May	June	July	August	September	October	November	December
1991 3/													
Civilian Labor Force	2,497,100	2,500,300	2,492,700	2,484,400	2,488,900	2,489,700	2,519,600	2,498,900	2,480,100	2,512,500	2,508,300	2,496,600	2,493,400
Total Employment	2,340,100	2,351,800	2,351,300	2,334,900	2,335,600	2,337,000	2,358,600	2,341,300	2,326,500	2,350,500	2,341,700	2,330,600	2,321,400
Total Unemployment	157,000	148,500	141,400	149,500	153,300	152,700	161,000	157,600	153,600	162,000	166,600	166,000	172,000
Percent of Labor Force	6.3	5.9	5.7	6.0	6.2	6.1	6.4	6.3	6.2	6.4	6.6	6.6	6.9
1990 3/													
Civilian Labor Force	2,503,100	2,504,000	2,529,600	2,531,400	2,512,700	2,499,600	2,511,600	2,494,000	2,497,900	2,475,300	2,464,500	2,495,000	2,522,200
Total Employment	2,381,100	2,373,000	2,399,100	2,412,700	2,394,700	2,379,700	2,399,600	2,378,400	2,382,500	2,362,000	2,341,100	2,363,600	2,387,300
Total Unemployment	122,000	131,000	130,500	118,700	118,000	119,900	112,000	115,600	115,400	113,300	123,400	131,400	134,900
Percent of Labor Force	4.9	5.2	5.2	4.7	4.7	4.8	4.5	4.6	4.6	4.6	5.0	5.3	5.3
1989 3/													
Civilian Labor Force	2,451,200	2,398,700	2,388,500	2,417,200	2,440,700	2,484,200	2,451,000	2,432,500	2,466,700	2,463,100	2,473,200	2,487,800	2,510,500
Total Employment	2,300,200	2,250,400	2,240,300	2,267,000	2,287,000	2,330,300	2,295,300	2,276,900	2,311,000	2,308,300	2,323,100	2,341,400	2,371,400
Total Unemployment	151,000	148,300	148,200	150,200	153,700	153,900	155,700	155,600	155,700	154,800	150,100	146,400	139,100
Percent of Labor Force	6.2	6.2	6.2	6.2	6.3	6.2	6.4	6.4	6.3	6.3	6.1	5.9	5.5
1988 3/													
Civilian Labor Force	2,316,100	2,291,000	2,302,800	2,292,300	2,284,000	2,292,800	2,276,000	2,298,400	2,304,500	2,345,600	2,365,900	2,367,400	2,372,900
Total Employment	2,173,200	2,145,900	2,161,500	2,150,200	2,146,300	2,151,900	2,129,100	2,151,900	2,157,200	2,196,100	2,222,900	2,227,300	2,238,200
Total Unemployment	142,900	145,100	141,300	142,100	137,700	140,900	146,900	146,500	147,300	149,500	143,000	140,100	134,700
Percent of Labor Force	6.2	6.3	6.1	6.2	6.0	6.1	6.5	6.4	6.4	6.4	6.0	5.9	5.7
1987													
Civilian Labor Force	2,258,100	2,224,900	2,209,600	2,225,400	2,210,200	2,238,600	2,262,400	2,265,000	2,278,000	2,285,700	2,294,100	2,298,300	2,305,200
Total Employment	2,087,200	2,037,000	2,022,900	2,041,000	2,029,300	2,063,000	2,097,100	2,102,100	2,115,800	2,121,800	2,126,100	2,140,400	2,150,400
Total Unemployment	170,900	187,900	186,700	184,400	180,900	175,600	165,300	162,900	162,200	163,900	168,000	157,900	154,800
Percent of Labor Force	7.6	8.4	8.4	8.3	8.2	7.8	7.3	7.2	7.1	7.2	7.3	6.9	6.7
1986													
Civilian Labor Force	2,198,200	2,136,700	2,157,400	2,177,900	2,190,900	2,198,000	2,202,700	2,252,900	2,226,100	2,212,200	2,211,700	2,209,500	2,201,700
Total Employment	2,018,300	1,972,300	1,981,400	1,996,900	2,010,400	2,023,100	2,023,800	2,058,900	2,042,000	2,040,100	2,030,200	2,022,500	2,017,500
Total Unemployment	179,900	164,400	176,000	181,000	180,500	174,900	178,900	194,000	184,100	172,100	181,500	187,000	184,200
Percent of Labor Force	8.2	7.7	8.2	8.3	8.2	8.0	8.1	8.6	8.3	7.8	8.2	8.5	8.4
1985													
Civilian Labor Force	2,091,200	2,068,600	2,069,800	2,066,100	2,080,800	2,089,000	2,084,300	2,087,300	2,097,900	2,100,900	2,112,200	2,126,200	2,111,300
Total Employment	1,921,300	1,890,500	1,899,200	1,898,600	1,914,200	1,914,600	1,906,000	1,916,200	1,928,100	1,933,400	1,945,300	1,961,900	1,947,300
Total Unemployment	169,900	178,100	170,600	167,500	166,600	174,400	178,300	171,100	169,800	167,500	166,900	164,300	164,000
Percent of Labor Force	8.1	8.6	8.2	8.1	8.0	8.3	8.6	8.2	8.1	8.0	7.9	7.7	7.8
1984													
Civilian Labor Force	2,051,200	2,052,700	2,065,100	2,059,200	2,047,000	2,045,700	2,054,100	2,049,000	2,045,400	2,042,300	2,049,900	2,048,400	2,056,000
Total Employment	1,857,200	1,839,100	1,858,100	1,857,100	1,848,300	1,850,300	1,859,100	1,858,400	1,860,900	1,854,500	1,862,200	1,865,200	1,873,300
Total Unemployment	194,000	213,600	207,000	202,100	198,700	195,400	195,000	190,600	184,500	187,800	187,700	183,200	182,700
Percent of Labor Force	9.5	10.4	10.0	9.8	9.7	9.6	9.5	9.3	9.0	9.2	9.2	8.9	8.9

1/ Prepared in cooperation with the Bureau of Labor Statistics.
2/ Monthly data for all years were revised using new Bureau of Labor Statistics methodology introduced in January 1989.
3/ Data for 1989, 1990 and 1991 were revised in March 1992 incorporating updated information on industry employment.
Note: Detail may not add nor divide due to rounding.

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Washington LABOR MARKET

April 1992

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Washington State
Employment Security
Vernon E. Stoner
Commissioner

Prepared by the
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Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Fits And Starts . . . Will Someone Get It In Gear!

So where did Washington's economy go in March? Answer: precisely nowhere. A definite trend was developing through January and February which underscored some gradual improvement in the rate of economic growth. Employment was rising at an average of 10,000 workers a month after holding flat through the fourth quarter. The pivotal services and trade sectors of the economy were gathering strength and construction seemed to be springing back to life.

Then March hit. Every good economist knows that a single month does not a trend make. However, statewide nonfarm employment inched higher by only 11,000 workers in March - the smallest for the month in 20 years - and actually *dropped* by 10,000 when adjusted for normal seasonal

Volume 16, Number 4

variation. So much for a developing trend! Furthermore, any signs of weakness in March cut virtually across the board in terms of industries, defying any speculation that something unique was happening.

The best explanation is that a combination of factors converged in March. One is simply the tenuous nature of the recovery to date. An on-again, off-again pattern has become ***derigueur*** ever since the national economy slipped out of recession probably sometime last spring. Judging from the spate of recent monthly statistics, there is as yet no clear indication that the national economy is indeed rebounding. And uncertainty breeds caution on the part of employers, even for normal seasonal hiring.

Secondly, weather this year has played a big role. Temperatures held above normal and precipitation below normal throughout most of the late-winter and early-spring. The results tended to shave the peaks and troughs of the regular seasonal cycle. But taken on a quarterly basis, the average for the first three months of the year still showed an economy moving forward at a respectable 2.4 percent seasonally adjusted annual rate as opposed to less than 1 percent for all of 1991.

And finally, news of pending layoffs at Boeing, closure of the venerable Frederick and Nelson department store chain, and merger of the state's two largest commercial banks added an extra measure of caution. These seemingly unrelated chain of events all hit the news media more or less simultaneously and were aimed specifically at the greater Central Puget Sound area which heretofore had largely escaped any significant employment losses.

LABOR FORCE AND UNEMPLOYMENT

Washington's seasonally adjusted unemployment rate increased by two-tenths of a percentage point in March from 7.5 percent to 7.7 percent of the work force - the highest in five years. While the monthly change was relatively modest, the jobless count in the state has heightened by half a percentage point since the first of the year and nearly two percentage points over the past 12 months. The result succeeded in pushing the state's jobless rate (7.7 percent) above the national average (7.3 percent) in March for the third consecutive month.

If history be any sort of guide, there is no way that Washington should reasonably be expected to maintain an unemployment rate which consistently tracks below that of the nation as a whole. Washington has a higher than average seasonal component to its economic base - forest products, agriculture/food processing, and recreation/tourism - which causes wide employment fluctuations during the course of a typical year. In addition, migration plays an important role in overall population movements of the state and erratic changes in the labor force count are not unusual. While the state's economy is gradually becoming more service-oriented over time, much like the nation, manufacturing and agriculture are viable forces in Washington and destined to remain so through the foreseeable future.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Mar 1992 *Preliminary*	Feb 1992 *Revised*	Mar 1991
Seasonally Adjusted:			
State Unemployment Rate	7.7%	7.3%	6.1%
National Unemployment Rate	7.3%	7.3%	6.7%
Not Seasonally Adjusted:			
Resident Civilian Labor Force	2,523,400	2,536,800	2,474,000
Employment	2,313,900	2,323,100	2,310,300
Unemployment	209,500	213,700	163,700
Unemployment Rate	8.3%	8.4%	6.6%

Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Total nonfarm wage and salary employment in the state inched higher by only 11,000 workers in March - the lightest increment for the month in 21 years. Something on the order of 20,000 would have been more normal. Typically, both services and trade expand significantly with the start-up of spring. However, this year entered the period at a higher than average base because of weather, and employers generally remained cautious in their hiring practices because of the ongoing fragile state of the economy.

Virtually all sectors were affected to varying degrees. Services employment expanded by 3,500 workers over the month with far less than year-earlier movement in amusements and recreation (+300) and health care (+300), particularly hospitals (-100). Solid gains were posted in business (+800) and social services (+500). At the same time, payroll additions in wholesale and retail trade (+2,600) also proved lighter than normal. Building (+500) and garden supplies (+600) showed a fairly typical buildup. But food stores showed no change and department stores (-500) actually pulled back over the month.

Industrial Payrolls Go Nowhere

Manufacturing, meanwhile, proved to be flat in March. Small incremental movements in either direction tended to offset one another for the most part. And on a seasonally adjusted basis, manufacturing payrolls fell by 2,200 workers. What failed to materialize was any perceptible buildup in the resource-based industries including food and kindred products, printing and publishing, and stone, clay, and glass. Logically, the mitigating effect of weather served as a big part of the cause. However, the balance must be attributed to more basic economic factors.

For one, aerospace has shifted from expansion to retrenchment. Boeing announced an expected 6,500-worker reduction for 1992, and employment has scaled back by 1,300 since the first of the year. This follows a generally flat employment setting through 1991 after a buildup which added 56,000 workers from 1984 to 1990. Indeed, the ***bloom is off the rose*** as far as employment is concerned. But the industry is still operating at 113,500 workers - higher than any year in history save the last couple years - with an impressive order backlog which virtually assures continued high levels of production through 1995.

Less sanguine is the outlook for lumber and wood products. Job levels were firm through the first quarter. A runup in demand boosted lumber prices accordingly. However, smaller independent mills which traditionally move in and out of the market depending upon where demand is positioned will no longer be players now that available timber supply is being squeezed. Limits on log exports and softer international economies spell further constraints both short and long-term. Hence, the best that can be expected for the industry this year is some modicum of recovery coming out of a faster national economic clip serving to offset some of the ongoing restructuring facing the industry overall.

Construction Bounces Back To The Line

Payrolls in construction showed a seasonal boost of 1,600 workers in March. Gains for building construction and heavy construction proved to be relatively modest. Most of the month-to-month increase centered among special trade contractors (+1,100) which include plumbers, painters, roofers, carpenters and electricians. Realistically, this segment of the industry leads off the spring cleanup-fixup mode before the seasonal buildup in new housing starts and other construction.

But construction employment *fell* by 3,500 workers when seasonally adjusted. This brought worker levels in the industry back to the average of the fourth quarter after a temporary blip which was widely heralded as a pickup beginning in January. It appears now that the driving force for construction in the first quarter was probably more weather-related than anything else.

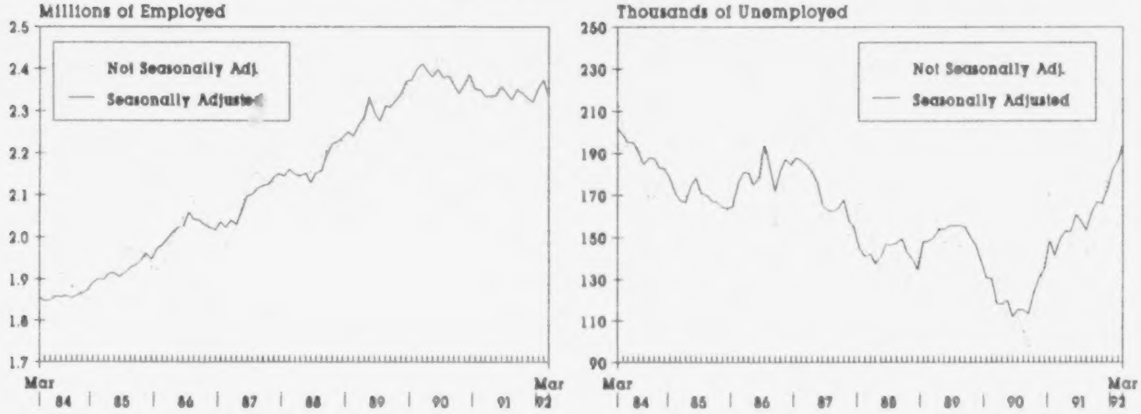
Year-To-Year Comparisons Also Taper Off

Over the year, Washington's nonfarm wage and salary employment was up 31,600 workers in March. The spread narrowed from better than 44,000 on average in January and February. But in passing, it should be noted that the year-ago months against which the current comparisons are made were extraordinary. The state experienced a sharp dropoff in employment between December and January last year, which has been variously ascribed to a combination of emerging recession plus the add on of the Persian Gulf War which was not repeated anytime during the balance of the year. Hence, the year-to-year margin ballooned in the initial months because of the differences between the two periods and both have now returned to a more normal reading.

On balance, services (+17,700) and government (+15,500) have accounted for the bulk of the state's employment growth over the past year. Lesser gains have come in wholesale and retail trade (+2,500) and the transportation, communications, and utilities sectors (+2,200) of the economy. Health services (+7,900) and local government (+11,700) including local education (+3,700) stand out as major drivers. Both construction and finance have been flat.

Manufacturing, on the other hand, has lost ground. Employment in Washington's basic goods-producing sector was off 5,800 workers over the year in March. The shortfall has centered particularly in transportation equipment manufacturing (-3,300) and heavy machinery production (-1,300) with scattered losses in primary metals (-700), food and kindred products (-500), and printing and publishing (-400). Lumber and wood products (+300), after dropping 4,100 workers a year before, looked to be relatively unchanged.

Washington State Total Resident Employment and Unemployment
March 1984 - March 1992



Source: Employment Security Department

AREA TRENDS

Only A Seasonal Pattern Causes Any Noise

Washington's metropolitan areas on average saw practically no change in the prevailing unemployment rate for March. The average moved fractionally lower from 7.7 percent to 7.6 percent of the work force with extremes ranging from 6.3 percent in the King County portion of the Seattle PMSA to 15.7 percent in the Franklin County portion of the Tri-Cities. Tacoma and Spokane registered 8.4 percent and 7.8 percent, respectively. Early agricultural activity pulled unemployment down marginally over the month in urban centers with a substantial farm bent: specifically Yakima (from 15.8 percent to 15.3 percent) and, once again, Franklin County (17.5 percent to 15.7 percent).

The jobless average for all of eastern Washington shifted lower in March from 11.7 percent to 11.2 percent. And, following suit, seasonal factors pushed the unemployment rate in the timber dependent counties down better than half a percentage point over the month from 13.5 percent to 12.9 percent of the area work force. Those counties running counter to trend were Ferry, Pend Oreille, and Garfield counties where jobless rates actually hiked up in March by an average of more than one percent.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Mar 1992	Feb 1992	Mar 1991
Washington State Total	8.3%	8.4%	6.6%
Metropolitan Areas	7.6%	7.7%	6.0%
Log & Lumber Areas	12.9%	13.5%	10.8%
All Western WA Areas	7.5%	7.5%	5.8%
All Eastern WA Areas	11.2%	11.7%	9.5%

Source: Employment Security Department

INDUSTRY NOTES

Economics 101 Revisited

The relationship between supply and demand hit lumber markets with a vengeance in the first quarter. Lumber prices soared to record highs with Random Length's composite average of lumber prices up 49 percent in late-March to $326 per thousand board feet from $219 a year before. Fully 35 percent of the uptick took place in the first quarter alone. The effect has been to add anywhere from $5,000 to $7,000 to a $120,000 house. The cause is a classic case of demand-pull. The industry has been severely impacted by dwindling timber supplies coming out of court and administrative action aimed at protecting the northern spotted owl. And at the same time, mild weather and reduced interest rates have escalated the pace of new construction.

Washington Wine A Winner

Increasingly, more premium varieties of wine are being produced in the state of Washington with exemplary results. Eight of the state's wines last year were listed on the Wine Spectator's list of the top 100 throughout the world. About 10,900 acres of premium wine grapes are under cultivation in 155 vineyards with annual growth of roughly 700 acres or 7 percent over the past three years. Fully 98 percent of the grape production is located in eastern Washington, particularly in the Columbia and Yakima valleys. The state now has 85 wineries. Sales were up 6 percent in 1991. Watch out California.

One In and One Out

South Puget Sound will lose one Boeing subcontractor and gain another over the next couple years. Rohr Industries announced it will close its 170-worker Auburn plant by the end of July. The 35-year-old plant built engine housing components for Boeing, but gradually over time that work has shifted internally within the company. Meanwhile, a Japanese manufacturer, Toray Composites, announced plans to build a $40 million plant at the Frederickson site near Tacoma adjacent to the wing plant Boeing is building to produce components for the 777. Employment is targeted at 150.

Don't Pay 'N Save . . . Pay Less

Payless Drug Stores has bought Pay 'n Save's four-state, 4,500 worker chain of 124 drug stores (including 95 in Washington) as part of a $275 million transaction. Adding Pay 'n Save's outlets to it own 59 stores and 2,000 workers will make Payless the major drug store chain in the state. Executive and administrative staff of Pay 'n Save, however, will be one of the casualties of the buyout. Approximately 375 workers are expected to be cut.

NATIONAL INDICATORS

GDP Up But Not Away

The nation's economy grew faster in the first quarter than originally pegged but still remained lackluster in terms of historical perspective. Real gross domestic product, the inflation-adjusted measure of output of all goods and services produced in the U. S., increased at a 2.4 percent annual rate in the first quarter - the highest since the first quarter of 1989 but half the average for a typical postwar recovery. The previous estimate was 2 percent. Unfortunately, most of the upward revision reflected higher inventories rather than sales. But an encouraging separate report stated that after-tax corporate profits surged at an 8 percent annual rate in the first quarter - the biggest in four years. Furthermore, bank officers noted a recent pickup in consumer and small business loan demand.

Industrial Output Still Trying

Total production of the nation's factories, mines, and utilities edged up in March by 0.2 percent after climbing 0.5 percent a month before. These gains marked the first back-to-back increases since last summer and followed four consecutive months of decline. Whatever upward movement is taking place in industrial production is certainly encouraging if subdued. And the 78 percent of operating capacity currently portends little pressure on inflation from supply constraints in the near term future.

And Chalk Up Three In A Row For The Crystal Ball

The government's key barometer of future business activity - the index of leading indicators - also crept up 0.2 percent in March. This was the third gain in a row. While the recovery remains in place, the index underscored the fact that the momentum over the next several months will likely continue to be modest. Rising consumer expectations contributed most to March's advance - a vital element in keeping the recovery rolling.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Mar 92	Feb 92	Mar 91	Feb 92	Mar 91
	139.3	138.6	135.0	0.5%	3.2%
Seattle†	Jul-Dec 1991	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1991	Jul-Dec 1990
	135.2	133.0	129.4	1.7%	4.5%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Mar 1992 (Prel)	Feb 1992 (Rev)	Mar 1991 (Rev)	Feb 1991 (Rev)	Numeric Change Feb 1992 to Mar 1992	Numeric Change Mar 1991 to Mar 1992
Total Nonagricultural Wage & Salary	2,165.8	2,154.8	2,134.2	2,112.3	11.0	31.6
Manufacturing	341.9	341.9	347.7	346.8	0.0	-5.8
Durable Goods	245.2	245.2	250.8	250.7	0.0	-5.6
Lumber & Wood Products	35.6	35.4	35.3	35.4	0.2	0.3
Logging	8.4	8.5	8.0	8.1	-0.1	0.4
Sawmills & Plywood	24.0	23.8	23.9	23.7	0.2	0.1
Furniture & Fixtures	3.7	3.6	3.6	3.7	0.1	0.1
Stone, Clay & Glass	7.3	7.2	7.5	7.3	0.1	-0.2
Primary Metals	11.8	11.8	12.5	12.5	0.0	-0.7
Aluminum	8.4	8.4	8.9	8.8	0.0	-0.5
Fabricated Metals	11.5	11.5	11.7	11.7	0.0	-0.2
Industrial Machinery & Equipment	18.9	18.9	20.2	20.3	0.0	-1.3
Computer & Office Equipment	6.1	6.1	6.6	6.5	0.0	-0.5
Electronic & Other Electrical Equipment	11.1	11.1	11.5	11.5	0.0	-0.4
Transportation Equipment	124.9	125.2	128.2	128.2	-0.3	-3.3
Aircraft & Parts	113.5	113.8	115.1	115.1	-0.3	-1.6
Instruments & Related	13.5	13.6	13.7	13.6	-0.1	-0.2
Miscellaneous Manufacturing	6.9	6.9	6.6	6.5	0.0	0.3
Nondurable Goods[3]	96.7	96.7	96.9	96.1	0.0	-0.2
Food & Kindred Products	34.6	34.7	35.1	35.0	-0.1	-0.5
Preserved Fruits & Vegetables	11.1	11.2	11.1	11.4	-0.1	0.0
Textiles, Apparel & Leather	8.3	8.2	7.8	7.6	0.1	0.5
Paper & Allied Products	17.8	17.7	17.8	17.8	0.1	0.0
Printing & Publishing	22.1	22.2	22.5	22.3	-0.1	-0.4
Chemicals & Allied Products[3]	5.4	5.5	5.2	5.1	-0.1	0.2
Petroleum, Coal, Plastics	8.5	8.4	8.5	8.3	0.1	0.0
Mining & Quarrying	3.7	3.7	3.5	3.5	0.0	0.2
Construction	109.3	107.7	109.5	106.9	1.6	-0.2
General Building Contractors	33.0	32.9	33.1	32.7	0.1	-0.1
Heavy Construction, except Buildings	14.6	14.1	14.5	13.8	0.5	0.1
Special Trade Contractors	61.8	60.7	61.9	60.4	1.1	-0.1
Transportation, Communications & Utilities	111.6	111.5	109.4	108.8	0.1	2.2
Transportation	76.9	76.7	74.5	74.0	0.2	2.4
Trucking & Warehousing	30.2	29.8	29.0	28.9	0.4	1.2
Water Transportation	9.8	9.9	9.0	8.8	-0.1	0.8
Transportation by Air	15.9	15.9	15.5	15.4	0.0	0.4
Communications	24.6	24.6	24.9	24.9	0.0	-0.3
Electric, Gas & Sanitary Services	10.1	10.2	10.0	9.9	-0.1	0.1
Wholesale & Retail Trade	512.8	510.2	510.3	504.7	2.6	2.5
Wholesale Trade	127.6	127.0	127.6	126.3	0.6	0.0
Retail Trade	385.2	383.2	382.7	378.4	2.0	2.5
General Merchandise	37.1	37.6	37.6	37.9	-0.5	-0.5
Food Stores	63.6	63.5	61.4	61.1	0.1	2.2
Eating & Drinking	139.9	138.0	138.9	135.7	.9	1.0
Finance, Insurance & Real Estate	115.3	115.1	115.8	114.6	0.2	-0.5
Finance	50.9	51.1	51.0	50.7	-0.2	-0.1
Services	542.3	538.8	524.6	517.2	3.5	17.7
Hotels & Lodging	24.8	24.9	23.7	23.2	-0.1	1.1
Personal Services	21.0	21.0	21.9	21.6	0.0	-0.9
Business Services	83.7	82.9	81.3	80.5	0.8	2.4
Health Services	160.4	160.1	152.5	151.0	0.3	7.9
Educational Services	26.1	25.9	24.9	24.5	0.2	1.2
Social Services[3]	41.5	41.0	39.0	38.8	0.5	2.5
Eng. & Management Services[3]	57.2	57.0	55.3	54.9	0.2	1.9
Government	428.9	425.9	413.4	409.8	3.0	15.5
Federal	72.2	71.8	71.4	71.2	0.4	0.8
State	125.5	124.9	122.5	121.6	0.6	3.0
State Education	66.7	65.8	64.9	64.5	0.9	1.8
Local	231.2	229.2	219.5	217.0	2.0	11.7
Local Education	123.8	122.4	120.1	118.6	1.4	3.7
Workers in Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

[3] Data not comparable with previous years because of end-of-year industry code changes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

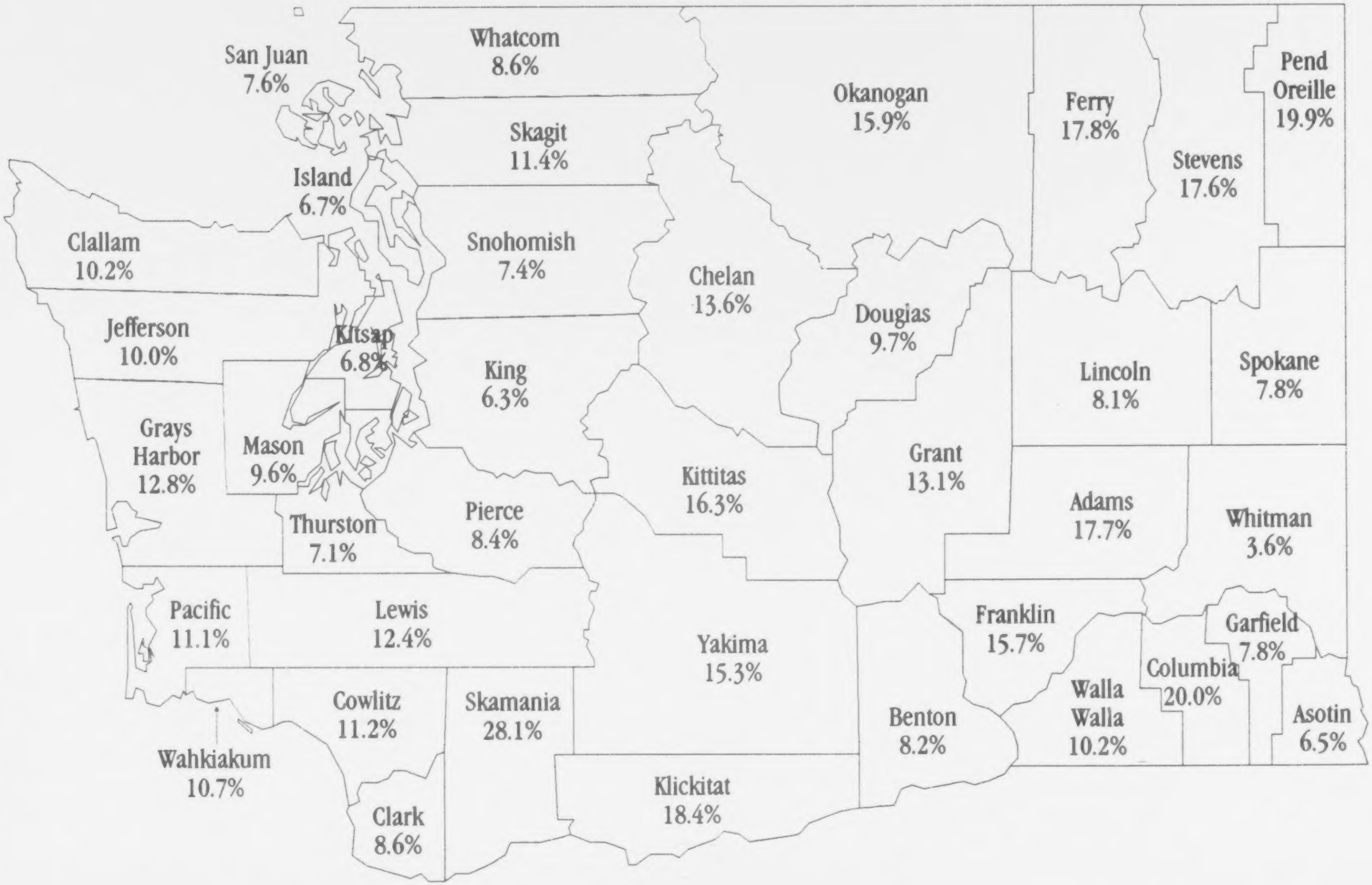
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 5/5/92
Benchmark: 1991

	March 1992 Preliminary†				February 1992 Revised†				March 1991 Revised†			
Not Seasonally Adjusted	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,523,400	2,313,900	209,500	8.3	2,536,800	2,323,100	213,700	8.4	2,474,000	2,310,300	163,700	6.6
Bellingham MSA	70,100	64,100	6,000	8.6	70,800	64,400	6,400	9.0	68,800	64,200	4,600	6.7
Bremerton MSA	85,800	80,000	5,800	6.8	85,700	79,800	5,900	6.9	83,300	78,900	4,400	5.3
Olympia MSA	88,500	82,200	6,300	7.1	89,200	82,800	6,400	7.2	84,300	79,400	4,900	5.8
Seattle PMSA	1,117,400	1,044,500	72,900	6.5	1,125,900	1,054,500	71,400	6.3	1,108,500	1,053,700	54,800	4.9
King County ‡	880,600	825,300	55,300	6.3	886,800	833,200	53,600	6.0	872,800	832,500	40,300	4.6
Snohomish County ‡	236,900	219,300	17,600	7.4	239,200	221,400	17,800	7.4	235,700	221,200	14,500	6.2
Spokane MSA	175,900	162,100	13,800	7.8	177,700	163,100	14,600	8.2	170,400	159,600	10,800	6.3
Tacoma PMSA	262,500	240,500	22,000	8.4	264,200	242,300	21,900	8.3	253,900	237,000	16,900	6.7
Tri-Cities MSA	76,400	68,900	7,500	9.8	75,500	67,300	8,200	10.9	72,600	66,400	6,200	8.5
Benton County ‡	58,800	54,000	4,800	8.2	57,900	52,700	5,200	9.0	55,700	52,000	3,700	6.6
Franklin County ‡	17,800	15,000	2,800	15.7	17,700	14,600	3,100	17.5	16,800	14,400	2,400	14.3
Vancouver PMSA	128,500	117,500	11,000	8.6	130,200	118,500	11,700	9.0	127,700	119,400	8,300	6.5
Yakima MSA	100,600	85,200	15,400	15.3	99,500	83,800	15,700	15.8	95,700	82,800	12,900	13.5
Adams	7,500	6,170	1,330	17.7	7,480	5,870	1,610	21.5	7,370	6,380	990	13.4
Asotin	9,670	9,040	630	6.5	9,670	9,040	630	6.5	9,350	8,780	570	6.1
Clallam	24,500	22,000	2,500	10.2	24,710	21,930	2,780	11.3	24,250	22,180	2,070	8.5
Columbia	1,600	1,280	320	20.0	1,600	1,300	300	18.8	1,480	1,190	290	19.6
Cowlitz	38,830	34,490	4,340	11.2	39,350	34,690	4,660	11.8	40,560	37,460	3,100	7.6
Ferry	3,320	2,730	590	17.8	3,330	2,780	550	16.5	3,120	2,680	440	14.1
Garfield	1,030	950	80	7.8	980	930	50	5.1	950	900	50	5.3
Grant	28,240	24,540	3,700	13.1	27,960	23,810	4,150	14.8	27,040	24,080	2,960	10.9
Grays Harbor	26,480	23,080	3,400	12.8	26,480	22,930	3,550	13.4	27,300	24,090	3,210	11.8
Island	23,000	21,450	1,550	6.7	22,930	21,420	1,510	6.6	22,170	21,140	1,030	4.6
Jefferson	8,920	8,030	890	10.0	8,980	8,020	960	10.7	8,770	8,200	570	6.5
Kittitas	13,590	11,380	2,210	16.3	13,670	11,440	2,230	16.3	13,420	11,820	1,600	11.9
Klickitat	7,890	6,440	1,450	18.4	7,880	6,420	1,460	18.5	7,330	6,120	1,210	16.5
Lewis	26,370	23,100	3,270	12.4	26,480	22,940	3,540	13.4	25,230	22,250	2,980	11.8
Lincoln	4,070	3,740	330	8.1	4,040	3,680	360	8.9	4,180	3,900	280	6.7
Mason	15,140	13,680	1,460	9.6	15,110	13,580	1,530	10.1	14,160	12,690	1,470	10.4
Okanogan	17,550	14,760	2,790	15.9	17,640	14,750	2,890	16.4	17,260	14,710	2,550	14.8
Pacific	8,080	7,180	900	11.1	8,110	7,060	1,050	12.9	7,660	6,860	800	10.4
Pend Oreille	3,470	2,780	690	19.9	3,490	2,830	660	18.9	3,260	2,660	600	18.4
San Juan	6,190	5,720	470	7.6	6,090	5,610	480	7.9	5,950	5,740	210	3.5
Skagit	41,820	37,050	4,770	11.4	41,620	36,510	5,110	12.3	39,870	36,360	3,510	8.8
Skamania	2,280	1,640	640	28.1	2,380	1,550	830	34.9	2,350	1,900	450	19.1
Stevens	11,910	9,810	2,100	17.6	11,980	9,820	2,160	18.0	11,270	9,560	1,710	15.2
Wahkiakum	1,220	1,090	130	10.7	1,200	1,060	140	11.7	1,180	1,080	100	8.5
Walla Walla	23,140	20,790	2,350	10.2	23,360	20,820	2,540	10.9	22,440	20,330	2,110	9.4
Wenatchee Labor Area	43,240	37,910	5,330	12.3	42,780	37,660	5,120	12.0	41,410	36,920	4,490	10.8
Chelan County ‡	29,090	25,130	3,960	13.6	28,720	24,970	3,750	13.1	27,650	24,480	3,170	11.5
Douglas County ‡	14,150	12,780	1,370	9.7	14,060	12,690	1,370	9.7	13,760	12,440	1,320	9.6
Whitman	18,730	18,060	670	3.6	18,820	18,130	690	3.7	19,270	18,800	470	2.4

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

March 1992 Unemployment Rates
State of Washington = 8.3%


San Juan 7.6%
Whatcom 8.6%
Okanogan 15.9%
Ferry 17.8%
Pend Oreille 19.9%
Skagit 11.4%
Stevens 17.6%
Island 6.7%
Clallam 10.2%
Snohomish 7.4%
Chelan 13.6%
Douglas 9.7%
Jefferson 10.0%
Kitsap 6.8%
King 6.3%
Lincoln 8.1%
Spokane 7.8%
Grays Harbor 12.8%
Mason 9.6%
Grant 13.1%
Kittitas 16.3%
Adams 17.7%
Whitman 3.6%
Thurston 7.1%
Pierce 8.4%
Pacific 11.1%
Lewis 12.4%
Franklin 15.7%
Garfield 7.8%
Yakima 15.3%
Columbia 20.0%
Walla Walla 10.2%
Cowlitz 11.2%
Skamania 28.1%
Benton 8.2%
Asotin 6.5%
Wahkiakum 10.7%
Klickitat 18.4%
Clark 8.6%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary November Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Mar 92	Feb 92	Mar 91	Mar 92	Feb 92	Mar 91	Mar 92	Feb 92	Mar 91
Total Manufacturing Industries†	199,741	$548.33	$538.66	$527.20	40.2	40.0	40.0	$13.64	$13.47	$13.18
Selected Manufacturing Industries										
Lumber and Wood Products	29,325	$484.67	$484.30	$451.13	40.9	40.8	39.4	$11.85	$11.87	$11.45
Primary Metal Industries	9,243	$587.35	$585.47	$576.52	42.5	41.7	42.8	$13.82	$14.04	$13.47
Fabricated Metal Products	9,058	$533.17	$519.43	$511.60	40.7	39.5	40.0	$13.10	$13.15	$12.79
Machinery	18,723	$436.08	$431.40	$430.35	39.5	38.9	39.7	$11.04	$11.09	$10.84
Food and Kindred Products	24,262	$404.92	$400.30	$370.51	38.2	37.8	37.2	$10.60	$10.59	$9.96
Chemical and Allied Products	2,299	$615.42	$628.08	$717.20	39.0	40.6	44.0	$15.78	$15.47	$16.30
Transportation Equipment	52,828	$718.29	$721.76	$669.64	41.4	41.6	41.8	$17.35	$17.35	$16.02
Selected Nonmanufacturing Industries										
Construction	82,787	$698.06	$683.74	$676.88	38.0	37.2	37.5	$18.37	$18.38	$18.05
Wholesale and Retail Trade (Includes eating and drinking establishments)	448,694	$304.33	$305.59	$256.08	31.9	31.7	29.2	$9.54	$9.64	$8.77

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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Washington LABOR MARKET

JOB SERVICE

Washington State
Employment Security
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Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

May 1992

Highlights

... And All Together Now

Washington's economy pulled ahead in January and February but appeared to lose ground in March and April. On the surface, it might be assumed that cutbacks in aerospace and adjustments in state and local government were beginning to extract a toll. But in reality, this was not true. The usual buildup in March simply did not occur this year because unseasonably mild weather kept employment inordinately high throughout many sectors during the winter months. April was impacted not only by this same weather phenomenon but also the removal of some 3,500 special election workers from a month before. The result pushed nonfarm employment down when adjusted for normal seasonal factors yet the tone of the economy in both months remained unchanged.

Volume 16, Number 5

Basically, Washington's labor markets are continuing to edge forward. Job growth has been slow and most of the action is confined to services. However, prospects for a pick-up in the second half remain intact. Adding further weight to the picture of an improving economy is the fact that statewide unemployment turned around abruptly in April for the first time in two years. The national economy, meanwhile, is throwing off some solid signs of strengthening - GDP was boosted in the first quarter, consumer spending has taken off, industrial production is rising, consumer confidence is building, and the index of leading indicators has gone up for four months in a row. There is a good chance, from this vantage point, that Washington is simply following suit.

LABOR FORCE AND UNEMPLOYMENT

Unemployment, seasonally adjusted, dropped sharply in April. But it was the direction rather than the magnitude of the change that was important. Statewide joblessness had been inching steadily up ever since mid-1990 and even a gradually improving economic trend in recent months failed to turn the tide. Then in April, the statewide unemployment rate shifted abruptly from a five-year high of 7.8 percent in March to 6.8 percent - the lowest in five months. The national average also fell over the month from 7.3 percent to 7.2 percent. The turnabout was dramatic.

In all likelihood, a combination of factors were at work. The cumulative effects of rising employment probably kicked in at long last. Unemployment traditionally lags the turning points of the economy and the timing was about right. Secondly, mild weather this year advanced the maturing of early crops anywhere from three to four weeks making for early hiring of seasonal farm and food processing workers throughout the state. The same is true for other outdoor activities as well. And finally, gradual improvement in the economies outside the state has lessened the flow of net in-migration into Washington. This is a pattern which typically lags the economy up to a year.

The sharp drop in unemployment between March and April will not likely to be repeated anytime soon. More normal movements in the magnitude of less than half a percentage point should be expected when these data are adjusted for seasonal fluctuations. In the past two years, month-to-month changes in Washington's seasonally adjusted unemployment rate have averaged roughly two-tenths of a percentage point per month from a low of 4.5 percent in June 1990 to a high of 7.8 percent in March of this year. The same should be expected in a downturn, providing this point in time indeed marks a turning point. We'll have to wait and see.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Apr 1992 *Preliminary*	Mar 1992 *Revised*	Apr 1991
Seasonally Adjusted:			
State Unemployment Rate	6.8%	7.8%	6.2%
National Unemployment Rate	7.2%	7.3%	6.6%
Not Seasonally Adjusted:			
Resident Civilian Labor Force	2,598,800	2,525,000	2,486,600
Employment	2,420,300	2,314,000	2,331,900
Unemployment	178,500	211,000	154,700
Unemployment Rate	6.9%	8.4%	6.2%

Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Nonfarm wage and salary employment increased by 13,800 workers in April to a level of 2,180,000. The gain was spread evenly throughout the economy with the notable exception of government where a 3,100-worker net loss was attributed principally to the withdrawal of short-term election workers from a month before. Seasonal gains pushed up activity in construction (+4,800), services (+3,600), and trade (+5,800) by amounts equal to or greater than a year before. If adjustment is made for the special election impact, seasonally adjusted employment in the state heightened by 1,000 workers in April.

Some of the biggest improvements for the month came in business services (+1,300) and general building construction (+1,200). Both of these sectors tend to lead the economy. And both at present appear to be responding to a variety of impacts. Hiring of temporary workers is oftentimes a clear sign that demand has indeed quickened. This is typically followed by direct hiring in the industry with a lag of anywhere from two to three months.

Housing construction began awakening from the dead as interest rates plummeted dramatically starting in late-1991. Single and multi-family starts in the state as evidenced by building permits were up 40 percent over the year in April. The strength in housing to date has basically stabilized construction employment after better than a year of progressive decline. And the spinoff from housing throughout the economy is significant.

Industrial Payrolls Borrow Time

Meanwhile, manufacturing employment in the state was boosted by 2,400 workers in April. A great deal of that expansion resulted from early timing of the state's asparagus crop which racheted up the number of workers in food processing by 2,800 over the month. Accelerated harvests will be the norm this year. Mild weather has advanced the growing season in the Pacific Northwest anywhere from three to four weeks. And the pattern cuts virtually across the board.

Labor availability, in this kind of setting, looked like it might be problem. However, there has been no real issue in central and eastern Washington. The agricultural work force east of the Cascades has become increasingly less migrant over time thanks in large measure to a settling-in process which has occurred as a result of the 1986 Immigration Reform and Control Act. Growers in these areas are able to tap a relatively firm labor pool.

The early experience for western Washington, however, proved to be somewhat different. Timing is everything with respect to berries and most of the workers in the berry fields are local youth. By the time strawberries were ready for picking, for example, schools were still in session. Further compounding the situation was the fact that this represented the first year of the amended state Department of Labor and Industries' child labor law which effectively restricts the number of hours per week that children can work. The result was a crunch.

More Of The Same

For the rest of manufacturing, it was business as usual. Those industries showing a pickup for the month included textiles and apparel (+200), printing and publishing (+200) and transportation equipment other than aerospace (+300). Specifically, shipbuilding and boatbuilding were positive. But no significant change occurred in lumber and wood products.

Aerospace, on the other hand, continued to draw down by 1,200 workers in April. This represented the sharpest drop in the job count for the year to date, which has averaged 400 workers a month since the first of the year. The cumulative total now stands at 2,500 leading to an expected 6,500 reduction for the year as a whole. Outside of Boeing, there is no way of knowing whether that target will be reached. However, the pattern thus far seems to be pretty much cast.

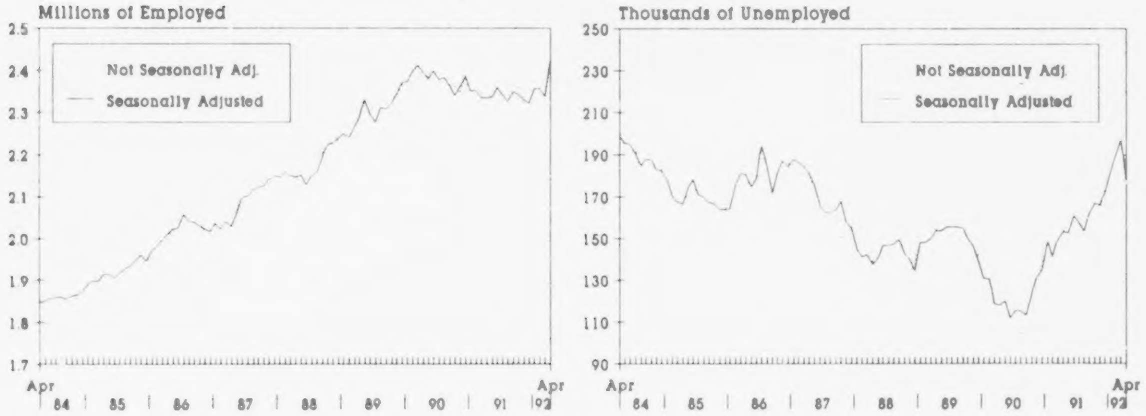
Year-Over-Year Comparisons Hold The Line

Over the year, Washington's nonfarm wage and salary employment was up 30,500 workers in April - virtually unchanged from the average of the past six months. The margin heightened abruptly in the first quarter owing to comparison against a falling trend a year before. But the spread is now taking a truer reading of the economy as the base moves along comparable lines.

Losses over the 12 months have been largely confined to selected sectors of manufacturing. The most recent period showed lesser employment in aerospace (-2,600), industrial machinery (-1,100), and primary metals (-700). Gains were posted in food processing (+1,200), textiles and apparel (+800), and miscellaneous manufacturing including sporting goods, electronic video games, and signs and advertising displays (+400).

For the most part, it has been services (+18,100) and government (+10,700) that have moved the economy forward. Both continued to show strong employment growth over the year in the latest month. Standouts within these sectors were health services (+7,300) and business services (+3,100), in particular. Construction (+800) was up only slightly, and wholesale and retail trade (+1,800) displayed a mix of give and take. General merchandising (-1,100) was off due to restructuring which has taken place recently in that industry at the same time that employment continued to mount at a respectable pace in area food stores (+2,700) and eating and drinking establishments (+1,000).

Washington State Total Resident Employment and Unemployment
April 1984 - April 1992



Source: Employment Security Department

AREA TRENDS

Looks Like A Thundering Herd

All areas of the state moved in tandem in April. Unemployment dropped uniformly across counties and regions as the *ides of March* passed into the ***blush of spring***. Higher activity in construction and throughout most of the services sectors of the economy pulled unemployment down by roughly one-and-a-half percentage points on average in the metropolitan areas. The Seattle PMSA skidded to 5.6 percent; Tacoma to 7.2 percent; and Spokane to 6.1 percent against a statewide average for the month (not seasonally adjusted) of 6.9 percent.

But it was the agricultural economies that fared the best. Area unemployment for all of eastern Washington dropped nearly three full percentage points in April from 11.3 percent to 8.5 percent of the work force. Illustrative were jobless declines in Yakima (from 15.3 percent to 11.9 percent); the Franklin County portion of the Tri-Cities (from 15.8 percent to 10.3 percent); and Walla Walla (from 10.2 percent to 5.6 percent). Neighboring Columbia County saw a tightening from 20.6 percent to 7.4 percent. Many eastern Washington counties, unlike the balance of the state, are now posting unemployment levels slightly below last year.

The timber-dependent economies, likewise, witnessed seasonal improvement in April. The average unemployment rate for those counties with a substantial forest products orientation dropped two percentage points over the month from 13.0 percent to 10.8 percent. The average, however, remained well above a year ago.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Apr 1992	Mar 1992	Apr 1991
Washington State Total	6.9%	8.4%	6.2%
Metropolitan Areas	6.4%	7.7%	5.7%
Log & Lumber Areas	10.8%	13.0%	9.9%
All Western WA Areas	6.4%	7.6%	5.6%
All Eastern WA Areas	8.5%	11.3%	8.6%

Source: Employment Security Department

INDUSTRY NOTES

BPA Ups Its Forecast

The Bonneville Power Administration, no longer cushioned by a sizable surplus, has jacked up its forecast of electrical energy shortfall over the next ten years by 150 megawatts to 1,530 megawatts. Much of the addition was keyed to cutbacks in hydroelectric generation coming out of efforts to save threatened salmon runs on the lower Snake River. An estimated 300 megawatts of power would be needed to replace lost power on the Columbia River if a comparable plan being drafted by the Northwest Power Planning Council is officially adopted. Inter-regional exchanges are the first choice of preference for managing the shortfall. Other potential options are co-generating plants at industrial sites, construction of natural gas-fired turbines to augment the hydro-based system, and incentives for enhancing conservation.

Once More With The Neighbor To The North

Issues with respect to Canadian lumber have once again reared their ugly heads. The U.S. Commerce Department ruled in May that Canada does in fact unfairly subsidize its softwood lumber industry by forest management practices which artificially lower the costs to producers in British Columbia. The department set the countervailing duty rate at 6.5 percent. Then in June, the U.S. International Trade Commission followed suit by ruling that imports of Canadian lumber are injurious to U.S. forest products manufacturers. Final resolution will probably be effected sometime next year. Canada currently ships roughly $2.6 billion in forest products annually into the states - a big piece of the pie.

Air Cargo Is Where It's At

While the commercial airline industry is hurting, air cargo traffic continues to build. Worldwide air freight is expected to grow nearly two-and-a-half times over the next decade. According to the Boeing Company's annual air cargo forecast update, a total of 365 additional large-capacity freighters, capable of carrying 50 tons or more, will be needed by 2005 just to accommodate expected growth. The company further predicted that 1,645 freighters would be in operation by the end of the forecast period compared to 858 currently. Boeing builds an all-cargo version of the 757 and will deliver the first 747-400 jumbo jet freighter next May.

Paccar Trucks Turn The Corner

Bellevue-based Paccar, after a wrenching year in 1991, faces a far brighter outlook in 1992. Overall sales are expected to increase 15 percent to 115,000 units after declining 20 percent last year. Paccar held a 23 percent market share of U.S. truck sales in 1991, with Navistar International at 22 percent, Portland based Freightliner at 20 percent, and Ford, Mack, and Volvo with about 10 percent each. Company spokesmen look to a growing number of truck owners to replace older rigs with more fuel efficient models such as Peterbilt and Kenworth produced by Pacaar. And an improving national economy should boost overall freight shipments in the months ahead. Paccar had laid off 90 workers at its Kenworth plant in January as truck production slipped from 27 to 20 units a day.

NATIONAL INDICATORS

Manufacturing Up, Up, And Up

The nation's industrial production rose in April for the third consecutive month. Good news! Output moved up 0.5 percent over the month after climbing by 0.4 percent in March and 0.5 percent in February. The uptick over the past three months has recouped much of the drawdown from October to January when manufacturing faltered again after a summer of improving health. Gains in April were widespread throughout both consumer goods and business equipment with a sharp uplift in auto production.

And More Of The Same On The Way

At the same time, the index of leading indicators posted another solid 0.4 percent increase in April - the fourth monthly increase in a row. This measure of 11 key indicators, designed to foreshadow future economic activity, continues to point in the direction of a slow but sustained recovery over the next several months. Four of the data sets making up the index rose sharply over the month, with the largest contributor being an increase in prices of sensitive production materials spurred by a pickup in overall consumer demand.

Past Is Better Than Prologue

In the second and final revision, the Commerce Department upped the first quarter estimate of real Gross Domestic Product to a 2.7 percent seasonally adjusted annual rate - the best in two years. The initial estimate was 2.0 percent. Most components of GDP were revised upward, although some of the steam was taken out of the strong rebound in consumer spending. A separate report adjusted corporate profits higher than previously reported: up 11.3 percent in the first quarter rather than 8.0 percent.

No Push-Pull To Pass-Along Here

Meanwhile, inflation continues under wraps. Producer prices rose a modest 0.2 percent in April - matching the small rise in both February and March. Energy prices were up but food prices fell. Excluding the volatile food and energy sectors, producer prices for finished goods were up a like 0.2 percent. And at the consumer level, prices paid for goods and services by the average household rose equally by a slim 0.2 percent in April.

Prepared by Dennis Fusco, Chief Economist

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Apr 92	Mar 92	Apr 91	Mar 92	Apr 91
	139.5	139.3	135.0	0.1%	3.3%
Seattle†	Jul-Dec 1991	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1991	Jul-Dec 1990
	135.2	133.0	129.4	1.7%	4.5%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Apr 1992 (Prel)	Mar 1992 (Rev)	Apr 1991 (Rev)	Mar 1991 (Rev)	Numeric Change Mar 1992 to Apr 1992	Numeric Change Apr 1991 to Apr 1992
Total Nonagricultural Wage & Salary	2,180.0	2,166.2	2,149.5	2,134.2	13.8	30.5
Manufacturing	344.7	342.3	347.5	347.7	2.4	-2.8
Durable Goods	244.7	245.5	249.8	250.8	-0.8	-5.1
Lumber & Wood Products	35.8	35.7	35.5	35.3	0.1	0.3
Logging	8.5	8.5	8.1	8.0	0.0	0.4
Sawmills & Plywood	24.0	24.0	24.0	23.9	0.0	0.0
Furniture & Fixtures	3.7	3.7	3.7	3.6	0.0	0.0
Stone, Clay & Glass	7.5	7.3	7.5	7.5	0.2	0.0
Primary Metals	11.7	11.8	12.4	12.5	-0.1	-0.7
Aluminum	8.4	8.4	8.9	8.9	0.0	-0.5
Fabricated Metals	11.7	11.5	11.7	11.7	0.2	0.0
Industrial Machinery & Equipment	18.8	18.9	19.9	20.2	-0.1	-1.1
Computer & Office Equipment	6.1	6.1	6.5	6.6	0.0	-0.4
Electronic & Other Electrical Equipment	11.2	11.1	11.1	11.5	0.1	0.1
Transportation Equipment	124.1	125.0	127.9	128.2	-0.9	-3.8
Aircraft & Parts	112.3	113.5	114.9	115.1	-1.2	-2.6
Instruments & Related	13.4	13.6	13.7	13.7	-0.2	-0.3
Miscellaneous Manufacturing	6.8	6.9	6.4	6.6	-0.1	0.4
Nondurable Goods[3]	100.0	96.8	97.7	96.9	3.2	2.3
Food & Kindred Products	37.5	34.7	36.0	35.1	2.8	1.5
Preserved Fruits & Vegetables	13.5	11.1	12.3	11.1	2.4	1.2
Textiles, Apparel & Leather	8.5	8.3	7.7	7.8	0.2	0.8
Paper & Allied Products	17.7	17.8	17.7	17.8	-0.1	0.0
Printing & Publishing	22.3	22.1	22.4	22.5	0.2	-0.1
Chemicals & Allied Products[3]	5.5	5.4	5.2	5.2	0.1	0.3
Petroleum, Coal, Plastics	8.5	8.5	8.7	8.5	0.0	-0.2
Mining & Quarrying	3.8	3.7	3.7	3.5	0.1	0.1
Construction	114.2	109.4	113.4	109.5	4.8	0.8
General Building Contractors	34.2	33.0	33.5	33.1	1.2	0.7
Heavy Construction, except Buildings	16.5	14.7	16.2	14.5	1.8	0.3
Special Trade Contractors	63.5	61.7	63.7	61.9	1.8	-0.2
Transportation, Communications & Utilities	111.8	111.6	109.5	109.4	0.2	2.3
Transportation	77.0	76.8	74.6	74.5	0.2	2.4
Trucking & Warehousing	30.0	30.1	28.8	29.0	-0.1	1.2
Water Transportation	10.0	9.8	9.3	9.0	0.2	0.7
Transportation by Air	15.9	15.9	15.3	15.5	0.0	0.6
Communications	24.5	24.6	24.9	24.9	-0.1	-0.4
Electric, Gas & Sanitary Services	10.3	10.2	10.0	10.0	0.1	0.3
Wholesale & Retail Trade	517.9	512.1	516.1	510.3	5.8	1.8
Wholesale Trade	128.2	127.5	128.3	127.6	0.7	-0.1
Retail Trade	389.7	384.6	387.8	382.7	5.1	1.9
General Merchandise	36.2	36.9	37.3	37.6	-0.7	-1.1
Food Stores	64.5	63.5	61.8	61.4	1.0	2.7
Eating & Drinking	143.3	139.8	142.3	138.9	3.5	1.0
Finance, Insurance & Real Estate	115.3	115.3	115.8	115.8	0.0	-0.5
Finance	50.7	50.9	50.8	51.0	-0.2	-0.1
Services	546.4	542.8	528.3	524.6	3.6	18.1
Hotels & Lodging	26.5	25.3	24.9	23.7	1.2	1.6
Personal Services	21.0	21.2	21.8	21.9	-0.2	-0.8
Business Services	84.9	83.6	81.8	81.3	1.3	3.1
Health Services	160.7	160.5	153.4	152.5	0.2	7.3
Educational Services	25.9	26.0	25.1	24.9	-0.1	0.8
Social Services[3]	41.7	41.5	39.1	39.0	0.2	2.6
Eng. & Management Services[3]	57.2	57.2	55.6	55.3	0.0	1.6
Government	425.9	429.0	415.2	413.4	-3.1	10.7
Federal	72.7	72.2	71.9	71.4	0.5	0.8
State	124.7	125.5	122.7	122.5	-0.8	2.0
State Education	65.8	66.7	64.7	64.9	-0.9	1.1
Local	228.5	231.3	220.6	219.5	-2.8	7.9
Local Education	123.7	123.9	120.2	120.1	-0.2	3.5
Workers in Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

[3] Data not comparable with previous years because of end-of-year industry code changes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

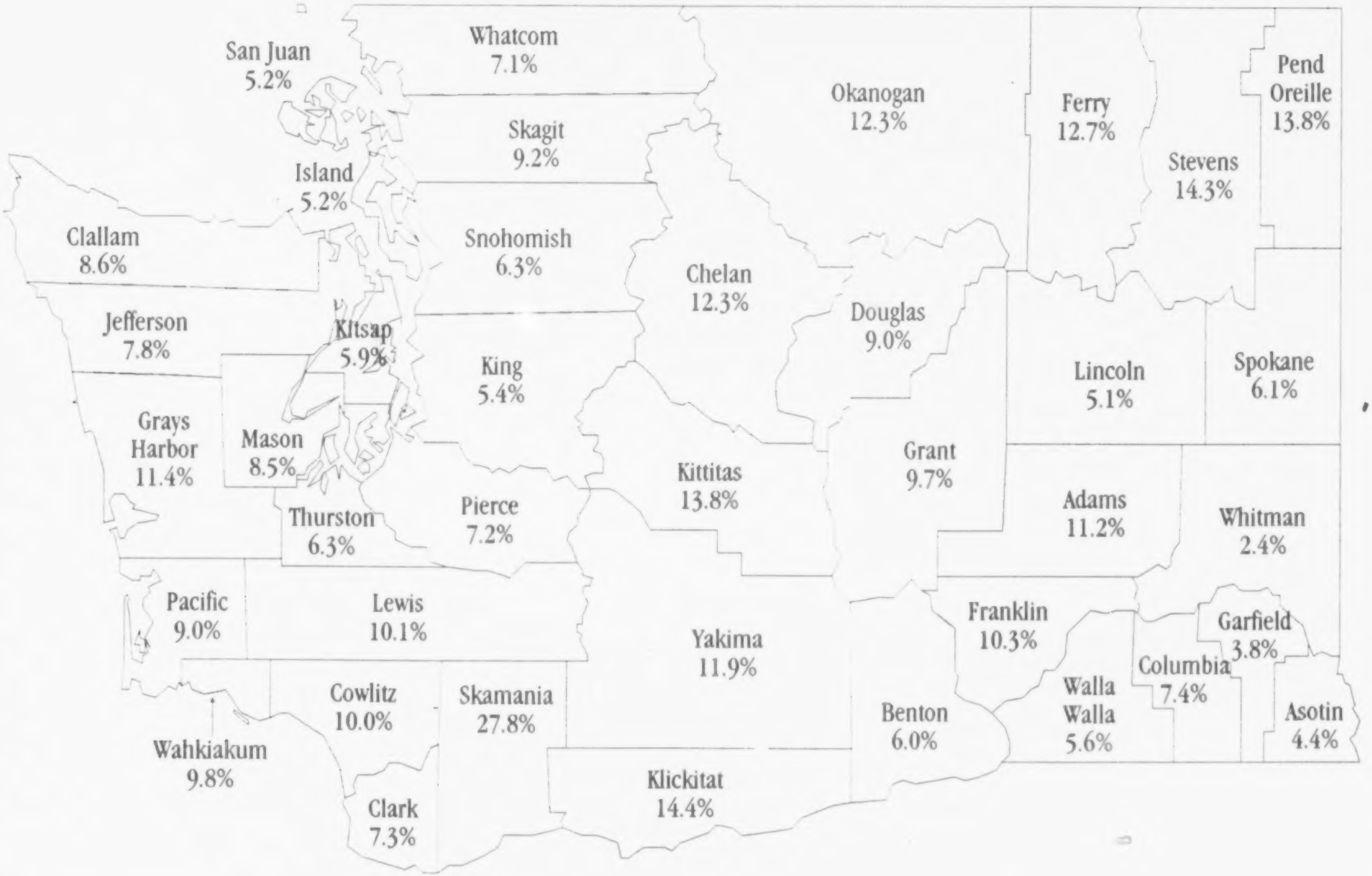
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 6/2/92
Benchmark: 1991

	April 1992 Preliminary†				March 1992 Revised†				April 1991 Revised†			
Not Seasonally Adjusted	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,598,800	2,420,300	178,500	6.9	2,525,000	2,314,000	211,000	8.4	2,486,600	2,331,900	154,700	6.2
Bellingham MSA	73,100	67,900	5,200	7.1	70,400	64,400	6,000	8.5	69,200	65,100	4,100	5.9
Bremerton MSA	88,600	83,400	5,200	5.9	85,800	80,000	5,800	6.8	83,100	79,100	4,000	4.8
Olympia MSA	90,700	85,000	5,700	6.3	88,600	82,200	6,400	7.2	84,100	79,400	4,700	5.6
Seattle PMSA	1,149,000	1,084,700	64,300	5.6	1,119,600	1,046,200	73,400	6.6	1,107,300	1,053,600	53,700	4.8
King County ‡	906,000	857,000	49,000	5.4	882,100	826,600	55,500	6.3	872,800	832,500	40,300	4.6
Snohomish County ‡	243,000	227,700	15,300	6.3	237,500	219,600	17,900	7.5	234,600	221,200	13,400	5.7
Spokane MSA	182,100	171,000	11,100	6.1	176,400	162,400	14,000	7.9	171,900	162,200	9,700	5.6
Tacoma PMSA	266,900	247,800	19,100	7.2	261,500	239,400	22,100	8.5	254,700	238,500	16,200	6.4
Tri-Cities MSA	81,600	75,900	5,700	7.0	76,000	68,400	7,600	10.0	76,200	70,700	5,500	7.2
Benton County ‡	63,200	59,400	3,800	6.0	58,300	53,500	4,800	8.2	58,800	55,400	3,400	5.8
Franklin County ‡	18,400	16,500	1,900	10.3	17,700	14,900	2,800	15.8	17,500	15,400	2,100	12.0
Vancouver PMSA	132,100	122,500	9,600	7.3	128,400	117,300	11,100	8.6	128,300	120,300	8,000	6.2
Yakima MSA	103,000	90,700	12,300	11.9	101,100	85,600	15,500	15.3	98,300	85,900	12,400	12.6
Adams	7,830	6,950	880	11.2	7,600	6,270	1,330	17.5	7,640	6,760	880	11.5
Asotin	9,980	9,540	440	4.4	9,670	9,040	630	6.5	9,000	8,490	510	5.7
Clallam	25,500	23,310	2,190	8.6	24,500	22,000	2,500	10.2	24,380	22,520	1,860	7.6
Columbia	2,560	2,370	190	7.4	1,600	1,270	330	20.6	1,950	1,680	270	13.8
Cowlitz	39,840	35,840	4,000	10.0	38,780	34,430	4,350	11.2	40,470	37,500	2,970	7.3
Ferry	3,240	2,830	410	12.7	3,320	2,740	580	17.5	3,170	2,740	430	13.6
Garfield	1,050	1,010	40	3.8	1,040	960	80	7.7	990	950	40	4.0
Grant	29,910	27,020	2,890	9.7	28,390	24,630	3,760	13.2	28,690	26,050	2,640	9.2
Grays Harbor	26,900	23,820	3,080	11.4	26,140	22,740	3,400	13.0	27,040	24,160	2,880	10.7
Island	23,310	22,090	1,220	5.2	22,540	20,980	1,560	6.9	22,340	21,370	970	4.3
Jefferson	9,220	8,500	720	7.8	8,930	8,030	900	10.1	9,040	8,540	500	5.5
Kittitas	13,730	11,830	1,900	13.8	13,650	11,440	2,210	16.2	12,480	11,050	1,430	11.5
Klickitat	8,200	7,020	1,180	14.4	7,870	6,430	1,440	18.3	7,850	6,750	1,100	14.0
Lewis	26,930	24,200	2,730	10.1	26,240	22,950	3,290	12.5	25,710	22,950	2,760	10.7
Lincoln	4,320	4,100	220	5.1	4,120	3,790	330	8.0	4,290	4,080	210	4.9
Mason	15,680	14,350	1,330	8.5	14,980	13,500	1,480	9.9	14,120	12,930	1,190	8.4
Okanogan	18,030	15,820	2,210	12.3	17,620	14,810	2,810	15.9	17,100	14,800	2,300	13.5
Pacific	8,730	7,940	790	9.0	7,990	7,070	920	11.5	7,780	7,040	740	9.5
Pend Oreille	3,480	3,000	480	13.8	3,490	2,790	700	20.1	3,140	2,640	500	15.9
San Juan	6,700	6,350	350	5.2	6,260	5,800	460	7.3	6,450	6,260	190	2.9
Skagit	43,160	39,200	3,960	9.2	41,980	37,160	4,820	11.5	40,360	37,200	3,160	7.8
Skamania	2,410	1,740	670	27.8	2,280	1,630	650	28.5	2,400	2,020	380	15.8
Stevens	12,210	10,470	1,740	14.3	11,950	9,840	2,110	17.7	11,720	10,310	1,410	12.0
Wahkiakum	1,230	1,110	120	9.8	1,170	1,040	130	11.1	1,180	1,090	90	7.6
Walla Walla	24,130	22,780	1,350	5.6	23,200	20,840	2,360	10.2	23,330	21,440	1,890	8.1
Wenatchee Labor Area	43,740	38,840	4,900	11.2	43,200	37,800	5,400	12.5	41,410	36,680	4,730	11.4
Chelan County ‡	29,350	25,750	3,600	12.3	29,050	25,060	3,990	13.7	27,800	24,320	3,480	12.5
Douglas County ‡	14,390	13,090	1,300	9.0	14,150	12,740	1,410	10.0	13,610	12,360	1,250	9.2
Whitman	19,910	19,430	480	2.4	18,890	18,220	670	3.5	19,590	19,140	450	2.3

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

April 1992 Unemployment Rates
State of Washington = 6.9%


San Juan 5.2%
Whatcom 7.1%
Okanogan 12.3%
Ferry 12.7%
Pend Oreille 13.8%
Stevens 14.3%
Skagit 9.2%
Island 5.2%
Clallam 8.6%
Snohomish 6.3%
Chelan 12.3%
Douglas 9.0%
Jefferson 7.8%
Kitsap 5.9%
King 5.4%
Lincoln 5.1%
Spokane 6.1%
Grays Harbor 11.4%
Mason 8.5%
Kittitas 13.8%
Grant 9.7%
Thurston 6.3%
Pierce 7.2%
Adams 11.2%
Whitman 2.4%
Pacific 9.0%
Lewis 10.1%
Yakima 11.9%
Franklin 10.3%
Garfield 3.8%
Columbia 7.4%
Walla Walla 5.6%
Cowlitz 10.0%
Skamania 27.8%
Benton 6.0%
Asotin 4.4%
Wahkiakum 9.8%
Klickitat 14.4%
Clark 7.3%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary April Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Apr 92	Mar 92	Apr 91	Apr 92	Mar 92	Apr 91	Apr 92	Mar 92	Apr 91
Total Manufacturing Industries†	203,829	$540.54	$540.20	$528.80	39.6	40.1	39.7	$13.65	$13.47	$13.32
Selected Manufacturing Industries										
Lumber and Wood Products	29,484	$481.20	$483.14	$456.11	40.1	40.6	39.8	$12.00	$11.90	$11.46
Primary Metal Industries	9,172	$590.22	$587.55	$573.75	41.8	42.3	42.5	$14.12	$13.89	$13.50
Fabricated Metal Products	9,239	$543.17	$536.52	$510.65	41.4	40.8	39.1	$13.12	$13.15	$13.06
Machinery	18,282	$439.56	$439.39	$429.00	39.6	39.8	39.0	$11.10	$11.04	$11.00
Food and Kindred Products	27,119	$389.11	$404.83	$365.06	37.2	38.3	37.1	$10.46	$10.57	$9.84
Chemical and Allied Products	3,172	$608.70	$618.98	$683.33	39.5	39.3	44.2	$15.41	$15.75	$15.46
Transportation Equipment	52,980	$706.34	$717.46	$672.40	40.9	41.4	41.0	$17.27	$17.33	$16.40
Selected Nonmanufacturing Industries										
Construction	85,738	$662.12	$699.14	$655.87	36.4	38.1	36.6	$18.19	$18.35	$17.92
Wholesale and Retail Trade (Includes eating and drinking establishments)	452,966	$300.83	$303.37	$257.84	31.6	31.8	29.3	$9.52	$9.54	$8.80

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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Washington
LABOR MARKET

EMPLOY
JOB SERVICE

June 1992

Washington State
Employment Security
Vernon E. Stoner
Commissioner

Prepared by the
Labor Market And
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(206) 438-4800
Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Whoops ... Back To Square One

Washington's economy slowed again in May. Seasonally adjusted nonfarm employment slipped over the month to an average roughly coincident with that of the fourth quarter after what amounted to a brief rally coming into the year. At this juncture it would appear that the blip in the winter months was more a weather phenomenon than anything else. And the underlying state of the economy has been essentially flat since last fall.

Certainly, weather has played havoc with the numbers this year. The normal seasonal pattern was clipped on both ends as mild temperatures impacted the level of outdoor activity. It also accelerated the timing in agriculture and basically advanced the recreation and tourist season in the

Volume 16, Number 6

state. As a result, any statistical adjustment attempting to take account of the *usual* month-to-month fluctuations in these data would logically give off a somewhat sharper than true reading.

Then again, the outlook for 1992 all along was expected to be muted. The state on balance managed to largely skirt the national recession and, correspondingly, any *pickup* generated by a quickened growth rate nationally was projected to be modest at best. The first quarter, indeed, registered a goodly increase in the pace of economic activity in the U.S. with real GDP rising at the fastest clip in three years. However, more recent signs point to a stall and perhaps a portion of that on-again off-again pattern is showing up locally.

Other factors are also at play. Corporate downsizing has become commonplace. Employers still remain skeptical of the economy. The high cost of medical benefits and other employer costs are tempering hiring decisions. An increasing service-oriented economy is making for less cyclical movement in the overall job market. And the go-go spending years of the 1980s have given way to a much more cautious attitude on the part of consumers in the 1990s. Each to some degree is acting to restrain the overall rate of job growth.

Nonetheless, the short-term outlook is basically unchanged. Both the state and the nation are assumed to experience some degree of pickup in the rate of job growth in the second half. Low interest rates are seen as the principal spur. But progress even well into next year is destined to be slow and spotty rather than anything that smacks at close to a normal rebound.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate dropped fractionally in May on a seasonally adjusted basis from 6.8 percent to 6.7 percent of the civilian work force. This marked the second monthly decline in a row for the statewide jobless measure after two years of near steady increase. The rate peaked in

March at 7.8 percent, turned about abruptly in April, and then proceeded to drift lower in May. Even two months are chancy when it comes to announcing an actual trend. However, the fact that the falloff continued for two months in a row at least gives some credence to the prospect that the worst on the unemployment front for this cycle may now have passed.

So how does one correlate a lackluster employment picture with a declining unemployment situation? One is a matter of timing. Pulling workers off the unemployment rolls is a setting which typically lags the economy. And the state began growing again beginning in the fourth quarter of last year. This has been a period also in which the employment pattern has been a series of fits and starts. And the seasonal impacts affecting agriculture and the self-employed (which are not included in the nonfarm wage and salary data) are out of sync this year.

In addition, some of the employment easing is due directly to layoffs in aerospace which began in October of 1991 and picked up speed in 1992. To date, employment in the industry has come down by roughly 4,000. Boeing's own estimate is that half the number has been accomplished through attrition, which would not show up on the jobless rolls. And, finally, population growth of the state has generally slowed based on current estimates, causing less pressure from migration on the state's labor force.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	May 1992 *Preliminary*	Apr 1992 *Revised*	May 1991
Seasonally Adjusted:			
State Unemployment Rate	6.7%	6.8%	6.1%
National Unemployment Rate	7.5%	7.2%	6.8%
Not Seasonally Adjusted:			
Resident Civilian Labor Force	2,620,100	2,599,900	2,486,800
Employment	2,450,700	2,420,400	2,340,700
Unemployment	169,400	179,500	146,100
Unemployment Rate	6.5%	6.9%	5.9%

Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Washington's nonfarm wage and salary employment heightened in May by 17,000 workers. The average for the month was roughly 20,000. Movement was purely seasonal in nature with the exception of a 3,500 blip in government caused by one-day staffing for the state's first Presidential primary. The gain would have been even smaller without this add on. Both construction (+3,800) and trade (+4,600) added significantly to payrolls over the month with lesser additions coming in services (+1,500). Those sectors associated with tourism, in particular, stood out: job gains of 1,000 were posted at hotels and lodging places with 3,300 added at local eating and drinking establishments during the month.

On the flip side were losses in finance (-200) and personal (-300) and management services (-300). The latter can be traced to one single event: a breather in federal income tax accounting work following the April 15th filing deadline. The former is more nebulous but partially reflects additional fallout resulting from the union of Seattle First and Security Pacific banks - the state's two biggest commercial banking entities.

Changing Faces, Changing Places

Corporate restructuring was also the root cause behind job losses in general retailing (-400) and pulp and paper manufacturing (-300). Each saw the departure of a major player in May: the venerable Frederick and Nelson department store in Seattle and the historic Weyerhaeuser Pulp Mill in Everett. Both succumbed to the sign of the times and both heralded the passing of an era of sorts within their respective areas.

Meanwhile, cutbacks continued over the month in aerospace. The industry job count dropped by 800 in May as Boeing proceeded to trim payrolls toward a goal of 6,500 for the year as a whole. Roughly half the targeted number had been extracted in the first five months. And the balance is expected in the months ahead. If fully realized, employment going into 1993 would register roughly 108,000 - still high by historical standards but lower than any time in the past three years.

Those industries gaining workers in May included food processing (+500) and lumber and wood products (+500). Again, the pace was slower than expected. But in the case of seasonal industries such as these, timing was off. And for lumber and wood products, available timber supply is acting as a further constraint. Both public and private lands are being impacted to varying degree by the spotted owl. The industry in general is operating in an environment with higher national housing starts (its major market) but less than last year's level of output and employment.

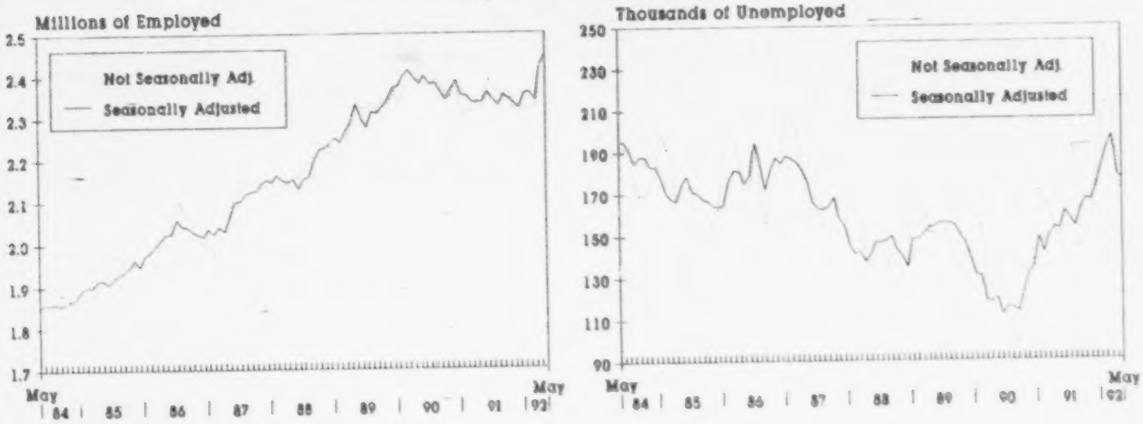
Back To The Average

Washington's nonfarm wage and salary employment count registered 18,500 workers higher than a year before in May. The margin drifted lower over the month as has been the case ever since the first of the year when the spread measured an outsized 46,000. But comparisons at that time were arbitrarily inflated and the current period reflects a return to something closer to reality. It further substantiates a *blip* in the early months which has now come back to something close to the average coming into 1992.

Those sectors showing substantial gains for the year are basically the same ones which have led the economy in the recent months. Growth in services (+13,400) and state and local government (+10,900) remains a major underpinning in the region at a time when strength in the basic goods-producing sectors has slackened.

Manufacturing was off by 5,000 workers over the year in May. The bulk of that shortfall has crested in two industries: aerospace (-3,300) and shipbuilding (-1,300). But losses have also come to a lesser degree in lumber and wood products (-400), primary and fabricated metals (1,100), and industrial equipment and machinery (-900). At the same time, countervailing gains have been posted in a number of the state's principal nondurable goods industries, notably food processing (+1,000), textiles and apparel (+700), and chemicals and allied products (+400). It would appear that these divergent trends within the state's basic industrial core are destined to continue for awhile yet until aerospace stabilizes and the national economy gathers some steam.

Washington State Total Resident Employment and Unemployment
May 1984 - May 1992



Source: Employment Security Department

AREA TRENDS

Shifting Tides

In the late-1980s, the Seattle-Everett economy was generating upwards of two-thirds of the state's total employment growth. Job gains in aerospace and construction and further throughout the entire service and trade sectors of the economy were concentrated heavily within Washington's largest metropolitan area. Pressures on infrastructure mounted. And unemployment dropped to lows not seen since the late-1960s during another period aptly named the ***Boeing Boom***.

But times have changed. The present period shows no growth in nonfarm wage and salary jobs over the year in the Seattle metropolitan area. It has been the second and third tier of urban centers which have stepped to the fore. Tacoma and Spokane registered 1.5 percent and 2.9 percent above a year ago, respectively, in May. However, job growth in the high 3 to 5 percent range has come to characterize the economies of Olympia, Bremerton, Yakima, and the Tri-Cities. The balance of the state was up only 1 percent.

Unemployment Mirrors The Average

Unemployment in the metropolitan areas averaged 6.1 percent of the work force in May, down from 6.4 percent in April. The not seasonally adjusted statewide average measured 6.5 percent. Seasonal gains pulled both the timber-dependent areas and all of eastern Washington down by a full percentage point over the month to 9.7 percent and 7.6 percent, respectively. But only eastern Washington - heavily ag-oriented - is evidencing a jobless rate slightly less than a year ago. The statewide average is higher by roughly half a percentage point.

Unemployment Rates by Geographic Areas
State of Washington

Areas	May 1992	Apr 1992	May 1991
Washington State Total	6.5%	6.9%	5.9%
Metropolitan Areas	6.1%	6.4%	5.4%
Log & Lumber Areas	9.7%	10.8%	9.1%
All Western WA Areas	6.1%	6.4%	5.4%
All Eastern WA Areas	7.6%	8.6%	7.7%

Source: Employment Security Department

INDUSTRY NOTES

Over There...Over There

Exports of goods made in Washington jumped 22 percent last year to a record $30 billion - a third of the state's estimated total output of goods and services. International sales of Washington products grew $5.3 billion in 1991 fueled by high demand, an advantageous location with respect to serving burgeoning markets in Asia and Europe, and a U.S. weak dollar. Shipments of transportation equipment, the fastest growing category with $19 billion in sales, accounted for approximately two-thirds of the increase. The remainder was led by a combination of agricultural products, notably apples, wheat, and potatoes; primary metals; processed foods, and a mix of diversified manufactured products across the board.

Soviets Swell The Metals Market

The collapse of the Soviet Union has led to a dumping of metals, including aluminum and platinum, on world markets. An estimated 1 million tons of aluminum was moved from inventory to sales in the past year, pushing world prices down from 75 cents per pound in 1990 to 60 cents a pound in 1991 and to around 57 cents currently. The results are pressuring Northwest producers whose electrical energy rates with the Bonneville Power Administration are tied specifically to the prevailing market price of aluminum. Plants in the Pacific Northwest produce 43 percent of the U.S. supply and employ about 10,000 workers. Analysts do not expect a repeat of the outpouring this year. And in the meanwhile, the industry is simply marking time.

Buyouts And Mergers Leave Some On The Cutting Edge

Pending merger of Puget Sound Bank with Key Bank could cause as many as 500 workers to lose their jobs. Much of the cutback is expected to be accomplished by attrition. Duplicate divisions will be combined, including international banking, marketing, and human resources, and some overlapping branches of the two banks will likely be closed. The reapplication and posting of jobs could extend into September.

Another threatened 375-worker job loss is coming out of the buyout of Pay 'N Save's 124-store chain by Pay Less Drugs. Corporate and regional headquarters staff in West Seattle and Auburn are affected. At the same time, Pay 'N Pak, with 300 employees, was ordered into liquidation by the U.S. bankruptcy court. The Kent-based home improvement chain has been operating in Chapter 11 bankruptcy status since September.

NATIONAL INDICATORS

Manufacturing Proceeds To Proceed

According to the National Association of Purchasing Managers, the nation's manufacturing output continued to expand in May for the fourth consecutive month. The overall index surged to 56.3 percent from 51.3 percent a month before. A reading over 50 percent is considered positive. Improvement was broad-based, indicating some strengthening in consumer demand. Moreover, export orders were also up over the month.

Spending Up,
But Sooo... Slowww....

Personal income and spending rose modestly in May, clearly less than needed to give the economy a shot in the arm. Income from wages, salaries, and other sources climbed 0.3 percent while spending rose 0.5 percent. The growth in monthly income was the fourth in a row despite lower subsidy payments to farmers and a drop in interest rates on consumer savings. The spending gain, encouragingly, was fueled by a pickup in demand for big-ticket items, particularly automobiles. But both the income and spending increases for the month measured less than half the pace posted early in the year.

Looks Like What You've Got
Is What You'll Get

The government's chief economic forecasting gauge continued its string of small increases in the month of May. The index of leading indicators rose 0.6 percent over the month after rising 0.3 percent in April and 0.4 percent in March. Certainly, the fact that the index has risen for three consecutive months is good news. What is needed is a little more *oomph*.

Inflation Remains The One Plus

Consumer prices, meanwhile, inched up only 0.1 percent in May. Lower food costs and the first drop in drug prices in nearly 20 years helped offset higher gasoline prices over the month. It was the best showing for the Consumer Price Index since January, which helped reassure policymakers that inflation indeed remains under control. Within two weeks of the release of the data, the Federal Reserve acted again to lower interest rates in an effort to accelerate the economy.

Prepared by Dennis Fusco, Chief Economist

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	May 92	Apr 92	May 91	Apr 92	May 91
	139.7	139.5	135.6	0.1%	3.0%
Seattle†	Jul-Dec 1991	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1991	Jul-Dec 1990
	135.2	133.0	129.4	1.7%	4.5%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	May 1992 (Prel)	Apr 1992 (Rev)	May 1991 (Rev)	Apr 1991 (Rev)	Numeric Change Apr 1992 to May 1992	Numeric Change May 1991 to May 1992
Total Nonagricultural Wage & Salary	2,197.4	2,180.4	2,178.9	2,149.5	17.0	18.5
Manufacturing	345.2	344.6	350.2	347.5	0.6	-5.0
Durable Goods	244.5	244.6	251.3	249.8	-0.1	-6.8
Lumber & Wood Products	36.3	35.8	36.7	35.5	0.5	-0.4
Logging	8.6	8.5	8.9	8.1	0.1	-0.3
Sawmills & Plywood	24.3	24.1	24.2	24.0	0.2	0.1
Furniture & Fixtures	3.8	3.7	3.8	3.7	0.1	0.0
Stone, Clay & Glass	7.6	7.5	7.6	7.5	0.1	0.0
Primary Metals	11.7	11.7	12.4	12.4	0.0	-0.7
Aluminum	8.3	8.4	8.9	8.9	-0.1	-0.6
Fabricated Metals	11.6	11.5	12.0	11.7	0.1	-0.4
Industrial Machinery & Equipment	18.9	18.9	19.8	19.9	0.0	-0.9
Computer & Office Equipment	6.1	6.1	6.6	6.5	0.0	-0.5
Electronic & Other Electrical Equipment	11.2	11.2	11.2	11.1	0.0	0.0
Transportation Equipment	123.1	124.1	127.7	127.9	-1.0	-4.6
Aircraft & Parts	111.6	112.4	114.9	114.9	-0.8	-3.3
Instruments & Related	13.4	13.4	13.7	13.7	0.0	-0.3
Miscellaneous Manufacturing	6.9	6.8	6.4	6.4	0.1	0.5
Nondurable Goods[3]	100.7	100.0	98.9	97.7	0.7	1.8
Food & Kindred Products	37.9	37.4	36.9	36.0	0.5	1.0
Preserved Fruits & Vegetables	13.9	13.5	13.2	12.3	0.4	0.7
Textiles, Apparel & Leather	8.6	8.5	7.9	7.7	0.1	0.7
Paper & Allied Products	17.4	17.7	17.7	17.7	-0.3	-0.3
Printing & Publishing	22.4	22.3	22.5	22.4	0.1	-0.1
Chemicals & Allied Products[3]	5.6	5.5	5.2	5.2	0.1	0.4
Petroleum, Coal, Plastics	8.8	8.6	8.7	8.7	0.2	0.1
Mining & Quarrying	3.8	3.8	3.7	3.7	0.0	0.1
Construction	117.9	114.1	117.7	113.4	3.8	0.2
General Building Contractors	35.3	34.2	35.1	33.5	1.1	0.2
Heavy Construction, except Buildings	17.6	16.4	17.3	16.2	1.2	0.3
Special Trade Contractors	65.0	63.4	65.3	63.7	1.6	-0.3
Transportation, Communications & Utilities	112.4	111.9	110.7	109.5	0.5	1.7
Transportation	77.7	77.1	75.8	74.6	0.6	1.9
Trucking & Warehousing	30.3	30.0	29.0	28.8	0.3	1.3
Water Transportation	10.0	10.1	9.7	9.3	-0.1	0.3
Transportation by Air	16.0	15.9	15.5	15.3	0.1	0.5
Communications	24.4	24.5	24.9	24.9	-0.1	-0.5
Electric, Gas & Sanitary Services	10.3	10.3	10.0	10.0	0.0	0.3
Wholesale & Retail Trade	522.7	518.1	524.9	516.1	4.6	-2.2
Wholesale Trade	128.8	128.2	129.4	128.3	0.6	-0.6
Retail Trade	393.9	389.9	395.5	387.8	4.0	-1.6
General Merchandise	35.8	36.2	37.5	37.3	-0.4	-1.7
Food Stores	65.1	64.5	63.2	61.8	0.6	1.9
Eating & Drinking	146.6	143.3	146.0	142.3	3.3	0.6
Finance, Insurance & Real Estate	115.0	115.4	116.6	115.8	-0.4	-1.6
Finance	50.5	50.7	50.9	50.8	-0.2	-0.4
Services	548.0	546.5	534.6	528.3	1.5	13.4
Hotels & Lodging	27.5	26.5	26.4	24.9	1.0	1.1
Personal Services	20.7	21.0	21.5	21.8	-0.3	-0.8
Business Services	85.1	84.9	83.6	81.8	0.2	1.5
Health Services	161.2	160.6	154.6	153.4	0.6	6.6
Educational Services	25.7	25.9	24.9	25.1	-0.2	0.8
Social Services[3]	41.7	41.8	39.7	39.1	-0.1	2.0
Eng. & Management Services[3]	56.9	57.2	55.3	55.6	-0.3	1.6
Government	432.4	426.0	420.5	415.2	6.4	11.9
Federal	73.5	72.7	72.5	71.9	0.8	1.0
State	124.5	124.7	122.6	122.7	-0.2	1.9
State Education	65.4	65.8	64.2	64.7	-0.4	1.2
Local	234.4	228.6	225.4	220.6	5.8	9.0
Local Education	124.4	123.8	120.4	120.2	0.6	4.0
Workers in Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0

---

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

[3] Data not comparable with previous years because of end-of-year industry code changes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

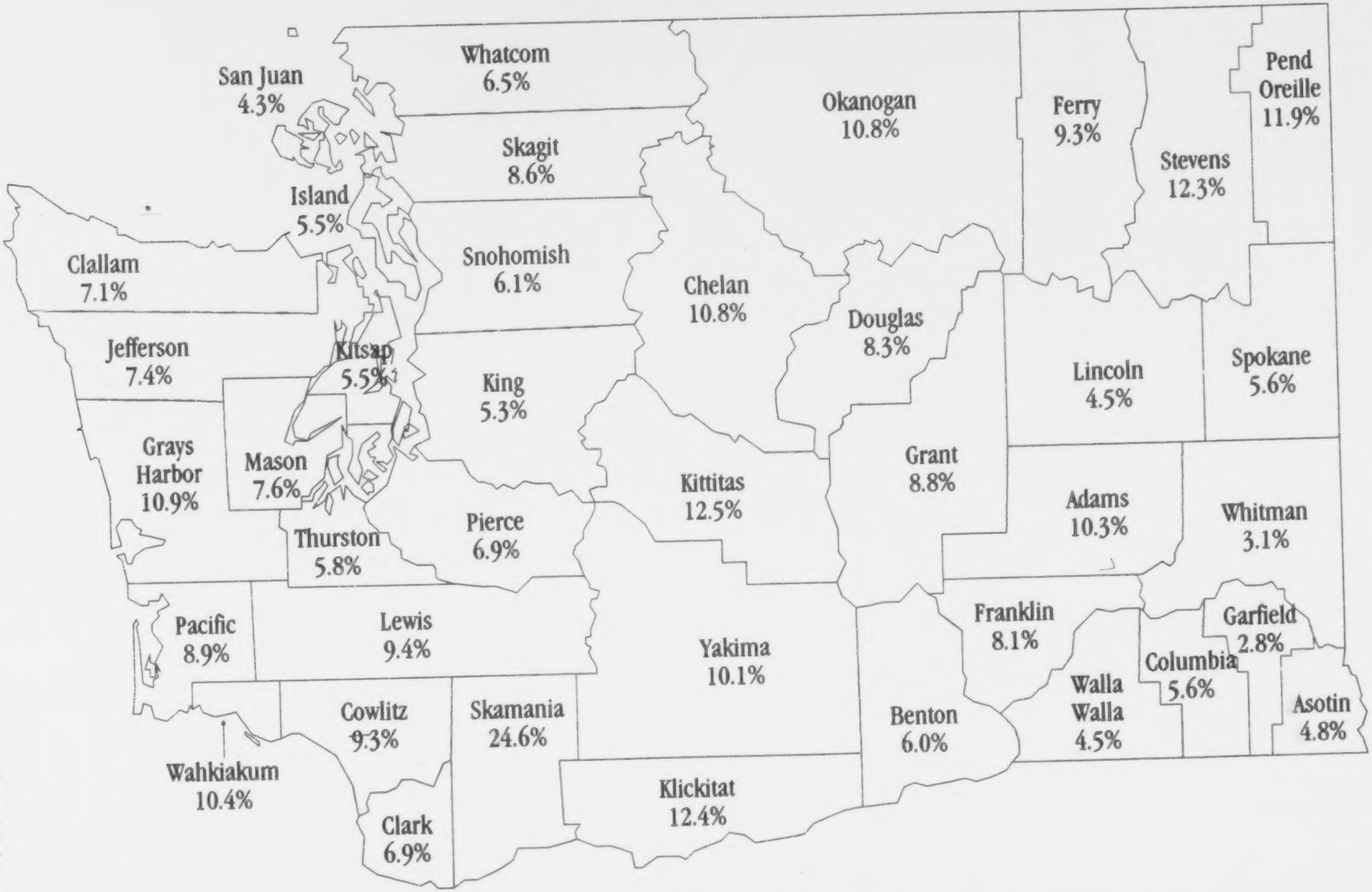
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 6/30/92
Benchmark: 1991

Not Seasonally Adjusted	May 1992 Preliminary†				April 1992 Revised†				May 1991 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,620,100	2,450,700	169,400	6.5	2,599,900	2,420,400	179,500	6.9	2,486,800	2,340,700	146,100	5.9
Bellingham MSA	73,400	68,600	4,800	6.5	73,000	67,800	5,200	7.1	69,300	65,300	4,000	5.8
Bremerton MSA	89,200	84,300	4,900	5.5	88,500	83,300	5,200	5.9	82,700	78,700	4,000	4.8
Olympia MSA	91,100	85,800	5,300	5.8	90,600	84,900	5,700	6.3	83,600	79,000	4,600	5.5
Seattle PMSA	1,155,600	1,092,500	63,100	5.5	1,148,900	1,084,300	64,600	5.6	1,110,100	1,058,900	51,200	4.6
King County ‡	911,200	863,100	48,100	5.3	905,800	856,700	49,100	5.4	875,800	836,700	39,100	4.5
Snohomish County ‡	244,300	229,300	15,000	6.1	243,100	227,600	15,500	6.4	234,300	222,300	12,000	5.1
Spokane MSA	184,300	173,900	10,400	5.6	182,900	171,700	11,200	6.1	172,800	163,200	9,600	5.6
Tacoma PMSA	266,900	248,500	18,400	6.9	266,800	247,600	19,200	7.2	252,800	237,000	15,800	6.3
Tri-Cities MSA	83,800	78,400	5,400	6.4	81,600	75,900	5,700	7.0	77,500	72,500	5,000	6.5
Benton County ‡	65,200	61,300	3,900	6.0	63,200	59,400	3,800	6.0	60,300	56,800	3,500	5.8
Franklin County ‡	18,500	17,000	1,500	8.1	18,400	16,500	1,900	10.3	17,300	15,800	1,500	8.7
Vancouver PMSA	133,600	124,400	9,200	6.9	132,400	122,700	9,700	7.3	125,900	117,700	8,200	6.5
Yakima MSA	105,900	95,200	10,700	10.1	103,700	91,300	12,400	12.0	99,100	88,600	10,500	10.6
Adams	7,930	7,110	820	10.3	7,840	6,950	890	11.4	7,400	6,710	690	9.3
Asotin	10,180	9,690	490	4.8	9,910	9,460	450	4.5	9,220	8,780	440	4.8
Clallam	25,730	23,900	1,830	7.1	25,480	23,290	2,190	8.6	24,280	22,540	1,740	7.2
Columbia	2,340	2,210	130	5.6	2,580	2,370	210	8.1	2,110	1,960	150	7.1
Cowlitz	39,720	36,030	3,690	9.3	39,800	35,840	3,960	9.9	39,800	36,880	2,920	7.3
Ferry	3,330	3,020	310	9.3	3,250	2,830	420	12.9	3,220	2,920	300	9.3
Garfield	1,060	1,030	30	2.8	1,040	1,000	40	3.8	1,000	970	30	3.0
Grant	31,020	28,300	2,720	8.8	29,930	27,000	2,930	9.8	29,160	26,370	2,790	9.6
Grays Harbor	27,060	24,120	2,940	10.9	26,830	23,740	3,090	11.5	26,710	24,050	2,660	10.0
Island	23,700	22,390	1,310	5.5	23,290	22,070	1,220	5.2	22,470	21,480	990	4.4
Jefferson	9,550	8,840	710	7.4	9,220	8,490	730	7.9	8,930	8,500	430	4.8
Kittitas	13,610	11,910	1,700	12.5	13,670	11,740	1,930	14.1	12,420	11,190	1,230	9.9
Klickitat	8,340	7,310	1,030	12.4	8,180	7,010	1,170	14.3	7,780	6,800	980	12.6
Lewis	26,920	24,390	2,530	9.4	26,970	24,230	2,740	10.2	25,580	23,270	2,310	9.0
Lincoln	4,400	4,200	200	4.5	4,300	4,090	210	4.9	4,340	4,140	200	4.6
Mason	15,600	14,410	1,190	7.6	15,670	14,340	1,330	8.5	14,060	12,910	1,150	8.2
Okanogan	18,720	16,700	2,020	10.8	18,030	15,810	2,220	12.3	17,430	15,470	1,960	11.2
Pacific	8,610	7,840	770	8.9	8,690	7,910	780	9.0	7,650	6,960	690	9.0
Pend Oreille	3,600	3,170	430	11.9	3,490	3,010	480	13.8	3,270	2,890	380	11.6
San Juan	7,240	6,930	310	4.3	6,690	6,340	350	5.2	6,690	6,510	180	2.7
Skagit	43,350	39,620	3,730	8.6	43,140	39,170	3,970	9.2	40,150	36,990	3,160	7.9
Skamania	2,320	1,750	570	24.6	2,390	1,730	660	27.6	2,290	1,890	400	17.5
Stevens	12,430	10,900	1,530	12.3	12,200	10,470	1,730	14.2	11,850	10,660	1,190	10.0
Wahkiakum	1,250	1,120	130	10.4	1,230	1,110	120	9.8	1,160	1,080	80	6.9
Walla Walla	24,530	23,430	1,100	4.5	24,140	22,760	1,380	5.7	23,310	22,110	1,200	5.1
Wenatchee Labor Area	44,350	39,920	4,430	10.0	43,780	38,810	4,970	11.4	41,830	37,200	4,630	11.1
Chelan County ‡	29,660	26,460	3,200	10.8	29,370	25,730	3,640	12.4	28,050	24,660	3,390	12.1
Douglas County ‡	14,670	13,450	1,220	8.3	14,420	13,080	1,340	9.3	13,780	12,540	1,240	9.0
Whitman	19,620	19,020	600	3.1	19,880	19,370	510	2.6	18,930	18,500	430	2.3

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

May 1992 Unemployment Rates
State of Washington = 6.5%


Whatcom 6.5%
San Juan 4.3%
Okanogan 10.8%
Ferry 9.3%
Pend Oreille 11.9%
Skagit 8.6%
Stevens 12.3%
Island 5.5%
Clallam 7.1%
Snohomish 6.1%
Chelan 10.8%
Douglas 8.3%
Jefferson 7.4%
Kitsap 5.5%
King 5.3%
Lincoln 4.5%
Spokane 5.6%
Grays Harbor 10.9%
Mason 7.6%
Grant 8.8%
Kittitas 12.5%
Adams 10.3%
Whitman 3.1%
Thurston 5.8%
Pierce 6.9%
Franklin 8.1%
Garfield 2.8%
Pacific 8.9%
Lewis 9.4%
Yakima 10.1%
Columbia 5.6%
Walla Walla 4.5%
Asotin 4.8%
Cowlitz 9.3%
Skamania 24.6%
Benton 6.0%
Wahkiakum 10.4%
Klickitat 12.4%
Clark 6.9%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary May Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		May 92	Apr 92	May 91	May 92	Apr 92	May 91	May 92	Apr 92	May 91
Total Manufacturing Industries†	204,688	$544.31	$534.62	$537.20	40.2	39.7	40.3	$13.54	$13.47	$13.33
Selected Manufacturing Industries										
Lumber and Wood Products	29,890	$477.96	$481.60	$463.27	40.3	40.2	39.8	$11.86	$11.98	$11.64
Primary Metal Industries	9,163	$583.63	$593.39	$582.00	42.2	41.7	42.7	$13.83	$14.23	$13.63
Fabricated Metal Products	9,280	$562.30	$543.84	$528.29	41.9	41.2	40.7	$13.42	$13.20	$12.98
Machinery	18,695	$445.76	$439.24	$429.44	39.8	39.5	39.8	$11.20	$11.12	$10.79
Food and Kindred Products	27,580	$417.50	$400.22	$384.12	39.8	37.9	39.6	$10.49	$10.56	$9.70
Chemical and Allied Products	3,124	$620.22	$611.86	$624.73	40.3	39.5	41.9	$15.39	$15.49	$14.91
Transportation Equipment	52,124	$708.47	$705.93	$681.44	40.6	40.9	41.4	$17.45	$17.26	$16.46
Selected Nonmanufacturing Industries										
Construction	89,897	$702.04	$666.85	$675.11	38.3	36.6	37.8	$18.33	$18.22	$17.86
Wholesale and Retail Trade (Includes eating and drinking establishments)	459,278	$299.21	$300.20	$256.08	31.2	31.5	29.2	$9.59	$9.53	$8.77

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official U.S. Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earning data.

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Washington LABOR MARKET

July 1992

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Commissioner

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In cooperation with the
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Volume 16, Number 6

Highlights

May Flowers Bring June Allergies and Water Shortages

Traditionally, the May-to-June movement in Washington's unemployment rate is about as predictable as the weather in early summer. Sometimes it improves, sometimes it worsens, sometimes it remains unchanged. To illustrate: since 1980, the May-to-June unemployment rate increased five times, fell four times, and remained unchanged four times. So, what's your guess? Remember, even during the 1981-1982 recession the rate both remained the same (1981) and improved (1982). By golly, your right! This June it went up, but only by one-tenth of a percentage point (seasonally adjusted). To the data wonks out there, one-tenth of a percentage point is within the range of error for these figures and so would be insignificant. To the policy makers and general public, however, any change that is less than positive is another indication of a sluggish economy. That is probably the best descriptive for the Washington labor market as of June.

The bottom line is the employment situation in Washington has appeared to stall in recent months even though the state's unemployment rate continues to track well below the national average. The national labor market, in comparison, did not only stall but started rolling backwards. Unemployment nationwide took a veritable turn-for-the-worse in June; the unemployment rate rose three-tenths of a point to reach 7.8 percent of the work force - the highest in eight years.

Stop! Stop!

Labor force trends since June 1991 somewhat verify earlier fears about lagged migration impacts. While the national economy slumped in mid-1990, Washington's economy continued on a positive pace through mid-1991. Analysts at that time were ruing the possibility of accelerated in-migration because of this economic variance.

The fear was that migrating workers from those states most affected by the national recession - California and the Northeast - could glut Washington's local labor markets with additional workers just as the state's economy was beginning to slow. Well, Washington's labor force did grow faster than employment over the period making for 15,000 more unemployed workers this June than last. Of course, the natural increase in population would result in more

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	June 1992 *Preliminary*	May 1992 *Revised*	June 1991
Seasonally Adjusted:			
State Unemployment Rate	6.8%	6.7%	6.4%
National Unemployment Rate	7.8%	7.5%	6.9%
Not Seasonally Adjusted:			
Resident Civilian Labor Force	2,626,900	2,620,500	2,547,800
Employment	2,457,000	2,450,700	2,392,600
Unemployment	169,900	169,800	155,200
Unemployment Rate	6.5%	6.5%	6.1%

Source: Employment Security Department; Bureau of Labor Statistics workers joining the labor force also, so it would be unrealistic to equate all of this increase to simply migration. But a stalled national economy and more severe regional stagnation elsewhere inevitably leads to workers migrating to healthier economic climes. The state Office of Financial Management estimates net migration into Washington for the year ending in April 1992 at 73,000.

INDUSTRY DEVELOPMENTS

Wage and salary job growth has been particularly anemic over the past month and over the past year. While raw data show that over 10,000 new jobs were created between May and June, the underlying trend is less favorable. When adjusted for seasonal variation, payroll jobs actually *fell* in June by 11,500. Fortunately, over-the-year comparisons were still positive; job gains were upwards of 15,500 in the past 12 months. It is easy to forget, however, that not long ago over-the-year differences for the state were on the order of 100,000.

Manufacturing Muddled

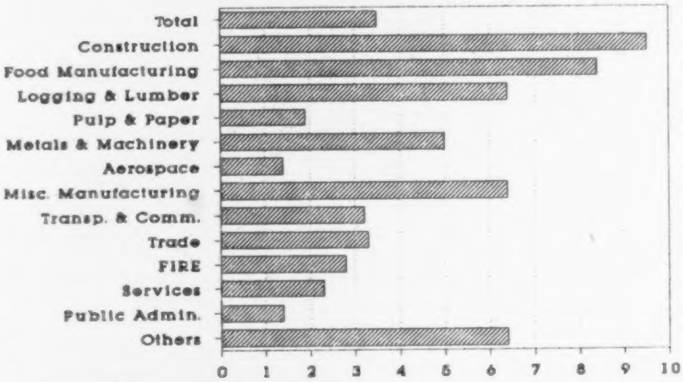
Manufacturing employment in June was beset with a small case of multiple personality disorder. While over-the-month gains were positive (up 1,000), over-the-year movement was off considerably (-6,600). And when this series was adjusted for normal seasonal pattern, movement over the month proved to be below expectations. As a result, payrolls in manufacturing fell in June by 1,800 workers on a seasonally adjusted basis.

Aerospace Gets Tagged

Everybody's favorite big-play sector, aerospace, has lost some yardage over the past several periods. It has not fumbled the ball, but certainly finds itself in a third-and-long situation. Employment in this sector was off 1,100 jobs from May-to-June and 4,600 jobs from June of 1991. Weakness in orders for new aircraft, concerns about the profitability of a number of carriers (particularly those engaged in suicidal fare cutting), learning-curve gains on middle and late-run models, and the disappearance of military contracts have all combined to cut down payrolls.

Early in the process of reducing employment, Boeing assured that much could be accomplished through attrition. For an industry with an internal labor force in excess of 100,000 workers, a modest retirement/turnover rate, say 3.0 percent or so, certainly eases the burden. It is estimated that half the layoffs to date have been effected through attrition. For the week ending June 13, there were 1,665 aerospace workers receiving regular unemployment insurance benefits, and only 22 had received final payments; this after a decline of 4,600 workers. And while a decline of this magnitude is nothing to sneeze at, the aerospace industry still has the lowest claims-to-employment ratios of any major private sector of the economy.

Claimant to Employment Ratios
Two-Week Moving Average of Unemployment
Claims for Regular Entitlement



Source: Employment Security Department

Boats Afloat, Barely...

The balance of transportation equipment manufacturing is engaged in ship and boat building and heavy truck production. The water-related side of this sector is doing poorly of late. Layoffs in this sector have reached a point where the industry's claimant/employment ratio measured 33.5 percent in June.

Wood Would, If It Could

- Do not let the 400 monthly gain in lumber and wood products jobs fool you. After seasonal adjustment, employment fell by over 500 from May-to-June and 800 over-the-year. In spite of the lowest mortgage rates in 20 years, construction activity has not rebounded to the peaks in the late-1980s and lumber production remains lackadaisical. Of course, wood products manufacturers are still grappling with supply challenge on both public and private lands.

And Metals Succumbs As Well

Primary and fabricated metals manufacturers have also found themselves trimming payrolls. Aluminum smelters have been beset with not only a soft national economy but potential power shortages. The water drawdown to assist salmon runs on the lower Snake River, unseasonably low rainfall, and sparse mountain snow-pack have forced the Bonneville Power Administration to cut the availability of interruptable electricity to its biggest customers - the region's aluminum smelters. However, the impact on overall production should be relatively modest.

Fabricated metals manufacturers are more closely tied to the level of commercial construction. Fabricated steel framework, flooring, and trusses are used extensively in many commercial buildings. As goes the construction sector, so goes fabricated metals. In combination, these two sectors have scaled back their operations by 900 workers since June 1991.

Machinery Loses Some Steam

Industrial machinery and office equipment manufacturers have felt the bite of bearish national and international markets. Output of this sector goes to factories, onto production lines, and into the offices of goods and service producers across the nation and around the world. Wage and salary jobs among machinery firms fell by 900 over the past 12 months.

Paper Pauses... Slumps

Preliminarily, paper payrolls appeared positive. Subsequent pondering, however, produced adjusted approximations with less-than-favorable precipitates. In other words, paper is going nowhere. The May-to-June gain of 500 workers looked to be one of the few bright spots in the goods-producing sectors. But such a gain was only what could be expected in any no-growth year. The seasonally adjusted figure was, in essence, flat. Even worse, over-the-year comparisons were negative to the tune of 300 workers.

The industry has been paring away at over-capacity. Newer plants have replaced a number of older facilities in the recent past. That alone should have led to some productivity gains affecting staffing. Not to discount the national economic scene which cannot help but be a drag on local producers. Weyerhaeuser's pulp mill in Everett was officially closed in May.

Food Facilities Faster

Employment at food processing facilities was one of the bright spots in the month of June. Wage and salary jobs jumped up by 600 workers. This was almost twice what one could expect in a normal year; when seasonally adjusted, food processing payrolls rose almost 300.

Food processing activity was above normal in June because of unseasonably mild weather. Crops have come in early, particularly strawberries and raspberries. It was feared there would not be enough workers because of early ripening. This proved to be unwarranted, however, as agricultural employment surged by 17,000 workers over the month. This early activity also punched up the year-over-year comparisons; food processing payrolls were 900 above the year-ago levels.

Construction Building... No

Construction activity did not pick up enough in June to maintain its usual seasonal pattern. In a typical year, construction employment in the state will advance 4 percent between May and June. This year, job growth was a meager 1.3 percent.

Of course, the mild winter and spring weather have kept building activity at unusually high levels. This can be a problem when trying to analyze outdoor industries like construction. A mild winter would result in seasonally adjusted employment trends being overstated in the winter and understated the following spring. This is logically the case with construction this year. While employment rose 1,500 in

June, the seasonal adjustment resulted in a drop of 1,800 despite an over-the-year gain of 200 workers.

Transportation and Communications... A Mixed Bag

The transportation services sector appeared to hold its own from May-to-June. Preliminary data show this division gaining 1,500 jobs, but the seasonally adjusted figures countered with a drop of 300. Like in the food processing industry, early farm-to-market activity could have muddied the normal monthly hiring patterns. The primary clue lending suspicion to the adjustment is the healthy over-the-year gain of 1,900 jobs.

Meanwhile, the communications industry has been struggling to hold its own. Federal deregulation has spurred rounds of competitive reorganization, restructuring, and cost-cutting in long distance telephone services, television broadcasting and cable TV services. The industry showed basically no change over the month and was down 500 workers over the year.

Lack of Zip In Trade

Are you spending money? Of course you are! But are you spending more than you did last year? Maybe not. Job growth in the wholesale and retail sectors has virtually disappeared in recent months. This is a key indicator that the economy is standing still. Food stores and eating and drinking establishments remained on a favorable path in June but other retailers posted a rather pallid performance of late.

Refi Rethink

After almost a year of mortgage refinancing activity, why have we not seen a rebound in consumer purchasing behavior? Economists had predicted a solid rebound in consumer purchases because of all this money freed-up from refinancing. The availability of around one hundred dollars per household per month should have been enough to boost the retail sector... right?

Wrong! Apparently consumers have shown a bit of savvy in regards to that horrific debt-load under which they found themselves. It seems that many of the households that did refinance opted for new 15- or 20-year rather than 30-year mortgages. This would keep the monthly payments about the same, or even a bit higher. Retailers will have to wait for something else to get the cash registers ringing.

FIRE Smoldering

Is anybody surprised that payrolls in the finance, insurance, and real estate sector are on a flat-to-down trajectory? Buy-outs and mergers have been the name-of-the-game in the finance sector. Job losses on the banking side of the division have been upwards of 700 since June 1991. Additional layoffs have been announced as well. It is uncertain whether all the consolidations have run their course. But one indicator pointing in that direction is the current runup in small bank start-ups intended to fill market niches left vacant by the consolidated institutions. We'll see.

The remaining fall-off in this division was centered around real estate. Falling interest rates of the past months have not resulted in as much new home buying as expected; but refinancing activity is very healthy. This has created plenty of work for mortgage lending institutions and appraisers but not necessarily for realtors. Employment at real estate offices was down almost 1,100 since June 1991.

Services Salvation

Thank goodness... the number of services jobs continues to expand. Those service industries posting the greatest monthly and the greatest annual changes were business services (personnel and data processing), health services, engineering and management services and the usual summertime tourist-related impacts affecting amusement and recreation services.

Of course, private education reported a decline from May-to-June in deference to the end of the school year. But even this industry continued on a strong growth path, capturing almost 10 percent of all new service jobs over the year.

Initial data reported that service division jobs grew by 3,400 over-the-month and 14,700 over-the-year. And this was the only sector to report a positive over-the-month trend (1,200) after seasonal adjustment.

Schools Call The Shots In Government

May-to-June movement in the public sector was, as per usual, dominated by the end of the school year. Of the 5,400 decline in public sector workers between May and June, 4,200 of them were workers in education.

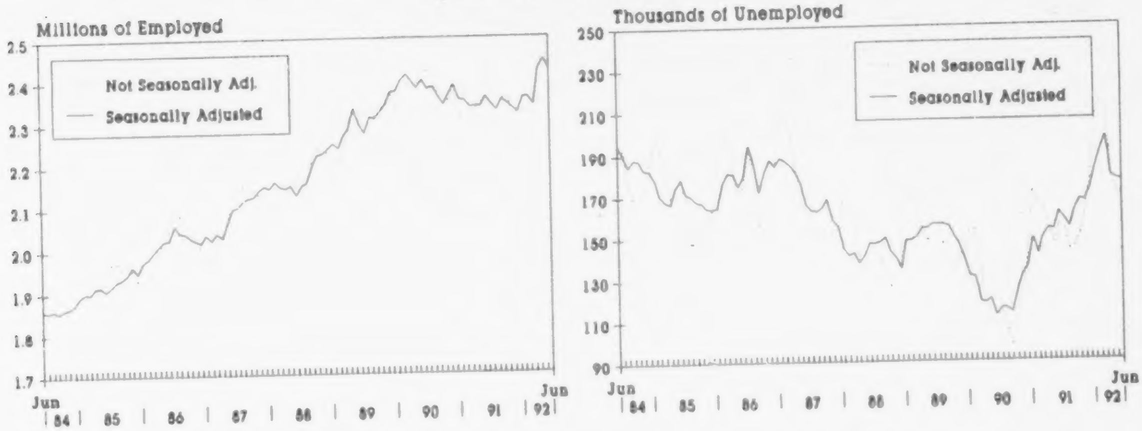
One of the unusual trends of the past year has been the continued demand for government services. This demand has translated into continued growth in public sector employment even while the economy has slowed. A little over half the new jobs generated in the past year have been in the public sector, roughly half in education and the balance in public administration. This is likely another phenomenon of the migration impacts as were explained earlier. Plus, the demand for certain government administered social services tends to rise as the economy slows.

All Over The Map

The variety of labor markets across Washington run the gamut from tiny rural Stevenson Labor Market Area in Skamania County to the massive and mostly urban Seattle-Everett Metropolitan Area in King and Snohomish counties. Size has a great deal to do with economic diversity and viability; particularly in this age of structural change.

What happened in Skamania County easily represents the worst-case scenario as to what could happen to a small one-industry (in this case lumber) economy. Joblessness is still

Washington State Total Resident Employment and Unemployment
June 1984 - June 1992



Source: Employment Security Department

in the double-digits (23.2 percent) even at what would be the traditional peak of economic activity. But because of the dire lumber supply and mill over-capacity, the usual employment opportunities are not available.

Other lumber-dependent labor markets were also faring poorly in June. Grays Harbor County unemployment stood at 10.5 percent; Kittitas County joblessness was 11.4 percent, and Stevens County was 12.0 percent.

Many of the agricultural counties and metropolitan areas recorded an improved employment situation in June compared to May. Yakima County, the largest of the farm-based areas, benefited from the quick pick-up in harvesting activity; unemployment fell from 10.2 percent to 8.4 percent. Despite its high-tech image, the Tri-Cities area also has a strong agricultural component; this helped lift the region in June and caused unemployment to fall to 6.0 percent. Adams County mirrored that pattern with unemployment dipping to 8.1 percent. Okanogan County joblessness fell two percentage points over the month to 8.8 percent.

The Seattle-Everett area bucked the trend with a deteriorating employment setting. Unemployment in the Seattle-Everett region rose two-tenths of a percentage point to reach 5.7 percent.

Prices Secure

One of the few positive aspects of a present sluggish economy is the impact it has on the general price level. The increase in prices across the Seattle-Everett-Tacoma region still out-paces the national average by one-half a percentage point (3.6 percent gain compared to 3.1 percent) but that is to be expected given that the local economy is performing better than average.

More importantly, the rate of change has been declining both locally and nationally. After the big surge in 1990, no doubt caused by the unusually sudden roll-up in local home prices, the rate of change has fallen by half.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	June 92	May 92	June 91	May 92	June 91
	140.2	139.7	136.0	0.4%	3.1%
Seattle†	Jan-Jun 1992	Jul-Dec 1991	Jan-Jun 1991	Jul-Dec 1991	Jan-Jun 1992
	137.8	135.2	133.0	1.9%	3.6%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

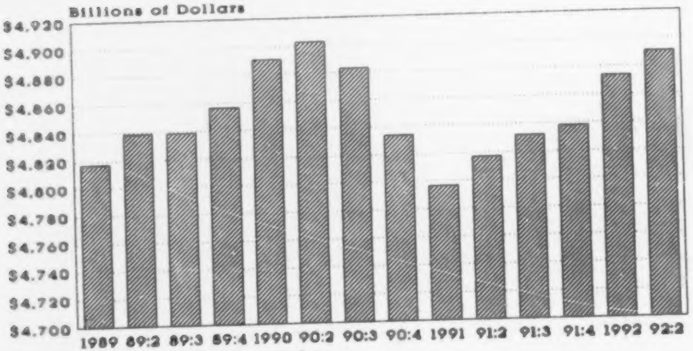
One Two Three, One Three Two, One Three?

Probably the most intriguing aspect of this sluggish economy is the tendency to label it in superfluous terms that make it appear worse than it is. Some have labeled this economic lethargy the *triple-dip* recession. Yet in terms of the traditional definition of what constitutes a recession, that description is not true.

According to the National Bureau of Economic Research (NBER), a recession is defined as two or more consecutive quarters of declining real gross national product or GNP (now measured as gross domestic product or GDP). This criteria is not the sole standard; many other economic gauges are taken into account. Nonetheless, that basic criteria sets the stage for any additional analysis.

So where is the triple-dip? Or the double-dip for that matter? According to the latest figures from the U.S. Department of Commerce, Bureau of Economic Analysis, the national economy was indeed in recession from the third quarter of 1990 through the first quarter of 1991. But for the last five quarters, the economy has been growing, albeit very slowly.

Annualized U.S. Gross Domestic Product
By Quarter: 1st Qtr 1989 - 2nd Qtr 1992



Source: Bureau of Economic Analysis

It is most likely that the public's perception of the recession is based around labor market activity. The employment situation is certainly more understandable than the remote national income and product accounts. And because labor markets have been even more sluggish than the country's economic output, the public's cognizance of the economy is equally severe.

Not Quick Enough

So, is the public's perception mistaken? Are the labor market statistics right and the GDP figures wrong? Not at all. These trends actually substantiate current labor market theory. First and foremost, the unemployment rate is a lagging indicator; it will improve only after economic output in general has rebounded. But even then, the economy must rebound at a substantial rate in order to shore up labor demand. If the labor force grows at 2.5 percent per year, the economy must grow faster than 2.5 percent to accommodate new workers and any gains in productivity. As a result, it is usual for the jobless rate to continue rising long after the economy begins to grow.

As we have seen over the last five quarters, the national economy has only grown 2.0 percent. The labor force, in the meantime, has grown 1.8 percent. On the surface, this would appear to reflect a good balance. However, productivity over this period has grown on the order of 2.0 percent as well. This means that the national economy would have to have grown 4.0 percent for the jobless rate to simply stay the same. Unfortunately, that has not been the case.

Will the unemployment rate continue to rise? It is possible that the national economy will continue to grow at unusually modest rates over the next several quarters. After all, there are still significant constraints on the economy. This, in turn, could ratchet the jobless rates a bit higher. But if the labor markets remain sluggish too long, jobseekers may take to alternative forms of work - self employment, returning to school, volunteer activities - thereby moderating the potential upside of the jobless situation.

Prepared by Robert Wm. Baker, Senior Economic Analyst

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Jun 1992 (Prel)	May 1992 (Rev)	Jun 1991 (Rev)	May 1991 (Rev)	Numeric Change May 1992 to Jun 1992	Numeric Change Jun 1991 to Jun 1992
Total Nonagricultural Wage & Salary	2,208.0	2,197.8	2,192.5	2,178.9	10.2	15.5
Manufacturing	346.5	345.5	353.1	350.2	1.0	-6.6
Durable Goods	244.3	244.8	252.6	251.3	-0.5	-8.3
Lumber & Wood Products	36.7	36.3	37.5	36.7	0.4	-0.8
Logging	8.6	8.6	9.1	8.9	0.0	-0.5
Sawmills & Plywood	24.7	24.3	24.8	24.2	0.4	-0.1
Furniture & Fixtures	3.7	3.8	3.7	3.8	-0.1	0.0
Stone, Clay & Glass	7.8	7.7	7.8	7.6	0.1	0.0
Primary Metals	11.8	11.8	12.4	12.4	0.0	-0.6
Aluminum	8.4	8.4	8.8	8.9	0.0	-0.4
Fabricated Metals	11.9	11.7	12.2	12.0	0.2	-0.3
Industrial Machinery & Equipment	18.9	18.9	19.8	19.8	0.0	-0.9
Computer & Office Equipment	6.1	6.1	6.6	6.6	0.0	-0.5
Electronic & Other Electrical Equipment	11.3	11.2	11.3	11.2	0.1	0.0
Transportation Equipment	122.0	123.1	127.8	127.7	-1.1	-5.8
Aircraft & Parts	110.5	111.6	115.1	114.9	-1.1	-4.6
Instruments & Related	13.3	13.4	13.6	13.7	-0.1	-0.3
Miscellaneous Manufacturing	6.9	6.9	6.5	6.4	0.0	0.4
Nondurable Goods[3]	102.2	100.7	100.5	98.9	1.5	1.7
Food & Kindred Products	38.5	37.9	37.6	36.9	0.6	0.9
Preserved Fruits & Vegetables	14.1	13.9	13.7	13.2	0.2	0.4
Textiles, Apparel & Leather	8.7	8.6	8.1	7.9	0.1	0.6
Paper & Allied Products	17.9	17.4	18.2	17.7	0.5	-0.3
Printing & Publishing[3]	22.6	22.4	22.5	22.5	0.2	0.1
Chemicals & Allied Products[3]	5.6	5.6	5.3	5.2	0.0	0.3
Petroleum, Coal, Plastics	8.9	8.8	8.8	8.7	0.1	0.1
Mining & Quarrying	3.8	3.8	3.8	3.7	0.0	0.0
Construction	119.2	117.7	119.0	117.7	1.5	0.2
General Building Contractors	35.7	35.2	35.5	35.1	0.5	0.2
Heavy Construction, except Buildings	17.9	17.6	17.5	17.3	0.3	0.4
Special Trade Contractors	65.7	64.9	66.0	65.3	0.8	-0.3
Transportation, Communications & Utilities	114.0	112.5	112.1	110.7	1.5	1.9
Transportation	78.9	77.7	76.9	75.8	1.2	2.0
Trucking & Warehousing	31.1	30.3	29.7	29.0	0.8	1.4
Water Transportation	10.2	9.9	9.7	9.7	0.3	0.5
Transportation by Air	16.2	16.0	16.0	15.5	0.2	0.2
Communications	24.5	24.4	25.0	24.9	0.1	-0.5
Electric, Gas & Sanitary Services	10.6	10.4	10.2	10.0	0.2	0.4
Wholesale & Retail Trade	530.4	522.8	530.9	524.9	7.6	-0.5
Wholesale Trade	130.7	128.9	130.5	129.4	1.8	0.2
Retail Trade	399.7	393.9	400.4	395.5	5.8	-0.7
General Merchandise	36.3	36.2	37.6	37.5	0.1	-1.3
Food Stores	64.9	64.5	64.1	63.2	0.4	0.8
Eating & Drinking	149.7	146.6	148.0	146.0	3.1	1.7
Finance, Insurance & Real Estate	115.4	114.8	117.4	116.6	0.6	-2.0
Finance	50.3	50.4	51.0	50.9	-0.1	-0.7
Services	551.6	548.2	536.9	534.6	3.4	14.7
Hotels & Lodging	27.8	27.4	27.7	26.4	0.4	0.1
Personal Services	20.6	20.6	21.6	21.5	0.0	-1.0
Business Services	86.9	85.5	84.3	83.6	1.4	2.6
Health Services	162.8	161.0	156.0	154.6	1.8	6.8
Educational Services	22.6	25.8	21.2	24.9	-3.2	1.4
Social Services[3]	41.7	41.7	39.7	39.7	0.0	2.0
Eng. & Management Services[3]	57.3	57.1	55.8	55.3	0.2	1.5
Government	427.1	432.5	419.3	420.5	-5.4	7.8
Federal	74.2	73.6	73.8	72.5	0.6	0.4
State	122.8	124.5	120.7	122.6	-1.7	2.1
State Education	62.5	65.4	62.0	64.2	-2.9	0.5
Local	230.1	234.4	224.8	225.4	-4.3	5.3
Local Education	123.0	124.3	119.9	120.4	-1.3	3.1
Workers in Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0

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[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

[3] Data not comparable with previous years because of end-of-year industry code changes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

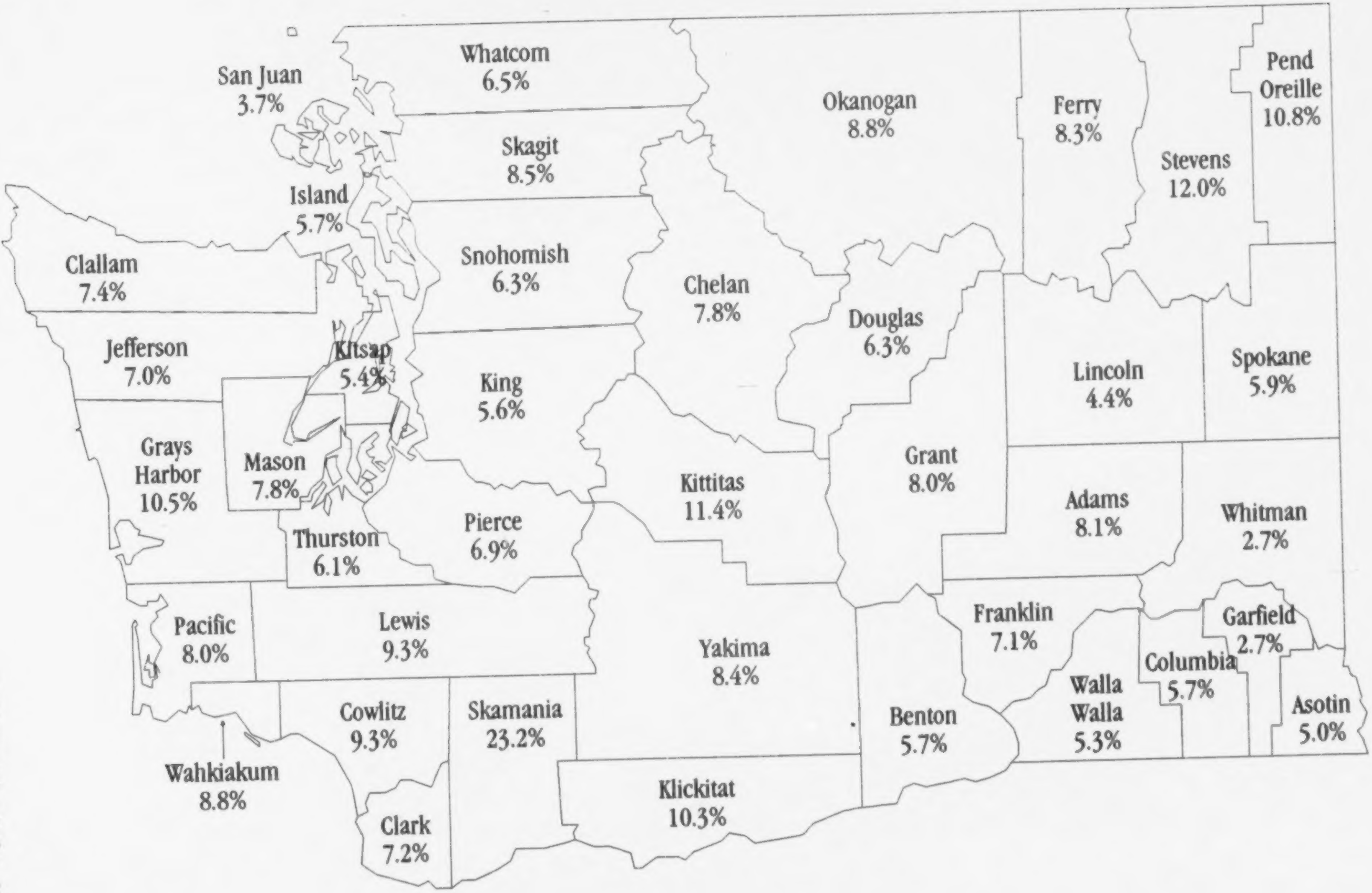
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 8/4/92
Benchmark: 1991

Not Seasonally Adjusted	June 1992 Preliminary†				May 1992 Revised†				June 1991 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,626,900	2,457,000	169,900	6.5	2,620,500	2,450,700	169,800	6.5	2,547,800	2,392,600	155,200	6.1
Bellingham MSA	73,500	68,700	4,800	6.5	73,400	68,600	4,800	6.5	70,600	66,100	4,500	6.4
Bremerton MSA	88,300	83,500	4,800	5.4	89,300	84,400	4,900	5.5	84,300	79,800	4,500	5.3
Olympia MSA	90,700	85,200	5,500	6.1	91,100	85,800	5,300	5.8	85,100	80,100	5,000	5.9
Seattle PMSA	1,142,300	1,077,000	65,300	5.7	1,154,400	1,091,200	63,200	5.5	1,124,700	1,069,800	54,900	4.9
King County ‡	901,000	850,900	50,100	5.6	910,200	862,100	48,100	5.3	887,300	845,300	42,000	4.7
Snohomish County ‡	241,300	226,100	15,200	6.3	244,100	229,000	15,100	6.2	237,600	224,600	13,000	5.5
Spokane MSA	182,500	171,700	10,800	5.9	184,500	174,100	10,400	5.6	175,500	165,500	10,000	5.7
Tacoma PMSA	265,100	246,700	18,400	6.9	268,600	250,100	18,500	6.9	255,100	238,700	16,400	6.4
Tri-Cities MSA	89,500	84,100	5,400	6.0	83,800	78,400	5,400	6.4	84,200	78,400	5,800	6.9
Benton County ‡	69,900	65,900	4,000	5.7	65,300	61,400	3,900	6.0	65,600	61,400	4,200	6.4
Franklin County ‡	19,700	18,300	1,400	7.1	18,500	17,000	1,500	8.1	18,600	17,000	1,600	8.6
Vancouver PMSA	133,800	124,100	9,700	7.2	133,500	124,300	9,200	6.9	128,300	119,500	8,800	6.9
Yakima MSA	115,500	105,800	9,700	8.4	106,000	95,200	10,800	10.2	110,000	99,000	11,000	10.0
Adams	8,270	7,600	670	8.1	7,940	7,120	820	10.3	8,180	7,420	760	9.3
Asotin	10,040	9,540	500	5.0	10,110	9,670	440	4.4	9,300	8,870	430	4.6
Clallam	25,850	23,940	1,910	7.4	25,760	23,930	1,830	7.1	25,020	23,130	1,890	7.6
Columbia	2,300	2,170	130	5.7	2,350	2,210	140	6.0	2,110	1,970	140	6.6
Cowlitz	39,140	35,490	3,650	9.3	39,740	36,040	3,700	9.3	40,640	37,330	3,310	8.1
Ferry	3,390	3,110	280	8.3	3,340	3,030	310	9.3	3,390	3,080	310	9.1
Garfield	1,120	1,090	30	2.7	1,060	1,030	30	2.8	1,100	1,070	30	2.7
Grant	31,930	29,370	2,560	8.0	31,080	28,320	2,760	8.9	30,600	27,940	2,660	8.7
Grays Harbor	26,960	24,140	2,820	10.5	27,040	24,100	2,940	10.9	26,890	24,220	2,670	9.9
Island	23,800	22,440	1,360	5.7	23,710	22,400	1,310	5.5	22,930	21,980	950	4.1
Jefferson	9,580	8,910	670	7.0	9,560	8,840	720	7.5	9,420	8,930	490	5.2
Kittitas	13,760	12,190	1,570	11.4	13,590	11,880	1,710	12.6	12,830	11,560	1,270	9.9
Klickitat	8,340	7,480	860	10.3	8,300	7,290	1,010	12.2	8,120	7,060	1,060	13.1
Lewis	27,000	24,480	2,520	9.3	26,960	24,450	2,510	9.3	25,970	23,440	2,530	9.7
Lincoln	4,510	4,310	200	4.4	4,400	4,200	200	4.5	4,590	4,370	220	4.8
Mason	15,490	14,280	1,210	7.8	15,380	14,180	1,200	7.8	14,500	13,290	1,210	8.3
Okanogan	20,830	19,000	1,830	8.8	18,710	16,680	2,030	10.8	20,120	18,120	2,000	9.9
Pacific	8,800	8,100	700	8.0	8,570	7,800	770	9.0	7,950	7,260	690	8.7
Pend Oreille	3,720	3,320	400	10.8	3,590	3,170	420	11.7	3,510	3,100	410	11.7
San Juan	7,560	7,280	280	3.7	7,160	6,850	310	4.3	7,270	7,090	180	2.5
Skagit	43,950	40,220	3,730	8.5	43,150	39,400	3,750	8.7	41,320	37,880	3,440	8.3
Skamania	2,280	1,750	530	23.2	2,320	1,750	570	24.6	2,450	2,010	440	18.0
Stevens	13,030	11,470	1,560	12.0	12,450	10,920	1,530	12.3	12,330	11,140	1,190	9.7
Wahkiakum	1,250	1,140	110	8.8	1,260	1,130	130	10.3	1,170	1,090	80	6.8
Walla Walla	24,380	23,100	1,280	5.3	24,550	23,450	1,100	4.5	23,670	22,290	1,380	5.8
Wenatchee Labor Area	50,880	47,170	3,710	7.3	44,280	39,840	4,440	10.0	47,530	43,360	4,170	8.8
Chelan County ‡	33,920	31,270	2,650	7.8	29,640	26,410	3,230	10.9	31,670	28,750	2,920	9.2
Douglas County ‡	16,960	15,900	1,060	6.3	14,640	13,430	1,210	8.3	15,880	14,620	1,260	7.9
Whitman	17,540	17,060	480	2.7	19,610	19,010	600	3.1	17,260	16,820	440	2.5

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

June 1992 Unemployment Rates
State of Washington = 6.5%


San Juan 3.7%
Whatcom 6.5%
Okanogan 8.8%
Ferry 8.3%
Stevens 12.0%
Pend Oreille 10.8%
Skagit 8.5%
Island 5.7%
Clallam 7.4%
Snohomish 6.3%
Chelan 7.8%
Douglas 6.3%
Jefferson 7.0%
Kitsap 5.4%
King 5.6%
Lincoln 4.4%
Spokane 5.9%
Grays Harbor 10.5%
Mason 7.8%
Kittitas 11.4%
Grant 8.0%
Adams 8.1%
Whitman 2.7%
Thurston 6.1%
Pierce 6.9%
Pacific 8.0%
Lewis 9.3%
Yakima 8.4%
Franklin 7.1%
Garfield 2.7%
Columbia 5.7%
Walla Walla 5.3%
Asotin 5.0%
Benton 5.7%
Cowlitz 9.3%
Skamania 23.2%
Wahkiakum 8.8%
Klickitat 10.3%
Clark 7.2%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary June Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jun 92	May 92	Jun 91	Jun 92	May 92	Jun 91	Jun 92	May 92	Jun 91
Total Manufacturing Industries†	204,685	$548.00	$534.45	$540.55	40.0	40.0	40.4	$13.70	$13.53	$13.38
Selected Manufacturing Industries										
Lumber and Wood Products	30,178	$494.98	$470.44	$484.10	41.7	39.8	41.2	$11.87	$11.82	$11.75
Primary Metal Industries	9,232	$596.63	$588.69	$585.84	42.8	42.2	42.7	$13.94	$13.95	$13.72
Fabricated Metal Products	9,574	$545.09	$559.37	$552.59	40.8	41.9	41.3	$13.36	$13.35	$13.38
Machinery	18,703	$434.66	$446.95	$428.76	39.3	39.8	39.7	$11.06	$11.23	$10.80
Food and Kindred Products	28,000	$402.53	$405.47	$367.50	38.3	39.1	37.5	$10.51	$10.37	$9.80
Chemical and Allied Products	3,115	$624.71	$615.60	$588.52	40.2	40.0	40.7	$15.54	$15.39	$14.46
Transportation Equipment	50,959	$719.35	$708.59	$681.04	41.2	40.7	41.3	$17.46	$17.41	$16.49
Selected Nonmanufacturing Industries										
Construction	91,496	$682.96	$688.72	$682.96	37.3	37.8	37.9	$18.31	$18.22	$18.02
Wholesale and Retail Trade (Includes eating and drinking establishments)	468,432	$301.15	$299.85	$269.62	31.7	31.3	30.5	$9.50	$9.58	$8.84

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official U.S. Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earning data.

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Washington LABOR MARKET

August 1992

Washington State
Employment Security
Vernon E. Stoner
Commissioner

Prepared by the
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Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

And Then Comes A Pause ....

Washington's economy appeared to have stabilized briefly in July. Seasonally adjusted nonfarm employment showed no change over the month after losing ground ever since March. When adjusted for normal seasonal change, the state lost 25,000 jobs in the four months through June. A portion of that slide can be written off to abnormally mild weather which had the effect of exacerbating the month-to-month movements when any sort of a smoothing technique was applied. However, losses aside from any seasonal change took place in aerospace, shipbuilding, retail trade, and finance over the period. Moreover, the national economy itself failed to produce any sort of offsetting stimulus in the second quarter but rather weakened again after rallying briefly early in the year.

Volume 16, Number 8

Any sign that the state might be regaining its footing again is good news. The state continues to show employment higher than a year ago and unemployment below the nation as a whole. But there is no question but what the rate of job growth in the state has weakened in recent months even taking into account the vagaries of weather. Some downsizing and restructuring is occurring in several key industries and employers locally are as focused on the bottom line as are their counterparts nationwide. The degree of hesitancy and uncertainty affecting consumer purchasing is as much present locally as nationally. And the strength of the economy has shifted away from Seattle-Everett to the second tier of urban areas encompassing Bellingham, Vancouver, Spokane, and the Tri-Cities.

The state office of the Forecast Council is projecting a trough in the state's employment level sometime in the third quarter and a gradual pickup thereafter through 1993. Any good analyst knows that one month, of course, does not a trend make. However, this outlook with respect to the economy gives added weight to perhaps reading more into the July data than would normally be the case. An upturn in retail trade is long overdue. A faster clip in services would logically include some heightening in the key producer services sectors. And a leveling in construction at this point in time would at least hint that low mortgage rates are having the desired effect on new building activity. Stay tuned.

LABOR FORCE AND UNEMPLOYMENT

Washington's seasonally adjusted unemployment rate remained unchanged in July at 6.8 percent of the civilian work force. Closure of schools for the summer recess caused a temporary blip in the number of people looking for work. However, the number of job openings for the month proved sufficient to avoid any undue upward pressure on the state's overall jobless count. Washington's unemployment rate has been essentially flat since April after dropping from a high of 7.8 percent in March. Once again the state positioned itself below the national average - an -

enviable setting which has existed for the past two years with the exception of the first quarter of this year.

The nation registered 7.7 percent unemployed in July, down one-tenth of a percentage point from a high of 7.8 percent in June. Washington's unemployment rate was nearly a full percentage point lower. In contrast, neighboring Oregon clustered close to the national average at 7.5 percent and California was positioned at the high end of the range at just under 9.0 percent in July. The industrialized states of Michigan (9.4 percent), New Jersey (9.8 percent), and New York (9.4 percent) likewise fell in the upper grouping, with the lower end dominated by the farm economies of Iowa (4.4 percent), Kansas (3.8 percent), and Nebraska (3.0 percent). Indeed, the present period looks to be playing out much like the recession of 1990-91 - selective both in terms of industry and area impacts.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	July 1992 *Preliminary*	Jun 1992 *Revised*	July 1991
Seasonally Adjusted:			
State Unemployment Rate	6.8%	6.8%	6.3%
National Unemployment Rate	7.7%	7.8%	6.8%
Not Seasonally Adjusted:			
Resident Civilian Labor Force	2,681,400	2,627,600	2,533,300
Employment	2,506,800	2,457,200	2,379,600
Unemployment	174,600	170,400	153,700
Unemployment Rate	6.5%	6.5%	6.1%

Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Nonfarm wage and salary employment in Washington dropped by 28,100 workers in July. An end to the regular academic year led to a 36,000 worker reduction in state and local education. And in addition, private colleges and universities removed another 3,800. The net effect was a near 40,000 loss in education countered by a 12,000 gain in the non-education portion of the economy. Taken together, these countervailing trends were about normal for the period.

July brought few surprises. Seasonal boosts occurred in those sectors which typically expand in the summer months including construction (+3,000), transportation (+700), and retail trade (+1,800). Amusements and recreation (+600), hotels and lodging places (+300), and other tourist-related industries were likewise affected. Whatever added employment took place in government was also basically seasonal: parks, forest service, and summer youth programs all expanded. It was a July much like any other.

Then There Was Less

The one exception was further drawsizing in aerospace. Payrolls in aircraft and parts dropped by 900 over the month, bringing the total reduction for the year to 5,200. Boeing had announced an expected 6,500 worker pullback coming into the year. Assuming these numbers are still firm, that would mean 80 percent of the planned cutback is now behind and the second half should be noticeably less. Boeing will be scaling back production of the 737 from 21 planes a month to 14 beginning in October. But at the same time, the company will be building up its work force on the new 777 production line at Everett. The combination should allow for some rehires and help to stabilize employment going into 1993.

Another notable drawdown in July was a loss of 900 workers in food and kindred products. This was nothing more than the usual timing on major crops, however. Employment will build up again in August and further in September as production mounts. The weather pattern this year caused some early maturing of several crops. But apparently this was taken in stride. Output was up, quality was good, and prices received by farmers have generally been favorable compared to a year ago. Total cash receipts from farm marketing were up 7 percent in the first half.

But Greener Grass Grows Elsewhere

The balance of manufacturing showed gains in textiles and apparel (+300), paper and allied products (+200), and miscellaneous durable goods (+200). Lumber and wood products was flat. For the most part, the nondurable portion of manufacturing has held its own this year while durable-goods production has weakened. Whatever job growth has come in manufacturing over the past twelve months has centered precisely in these same general areas: food and kindred products (+300), textiles and apparel (+800), and chemicals and allied products (+300). The durable goods industries on balance have posted a job loss of 9,100.

Construction employment mounted over the month by 3,000 - about average for the period. Payrolls among general building contractors increased by 800, roads and public works contractors by 500, and special trade contractors by 1,600. The level was off fractionally from a year ago (-1,500), however. But July probably gave a truer reading on construction than was possible anytime over the past six months. Understandably, weather plays a pivotal role in the building trades of the Pacific Northwest and the erratic nature of the weather pattern in 1992 had largely run its course by mid-July.

Payroll additions in trade (+600) and services aside from education (+2,300) were also comfortably in line with the past. Wholesaling (-1,200) fell over the month due to timing in agriculture. But retailing (+1,800) mounted on the strength of summertime sales. Services, aside from education, was bolstered by 2,300 jobs of which 1,300 was in health services.

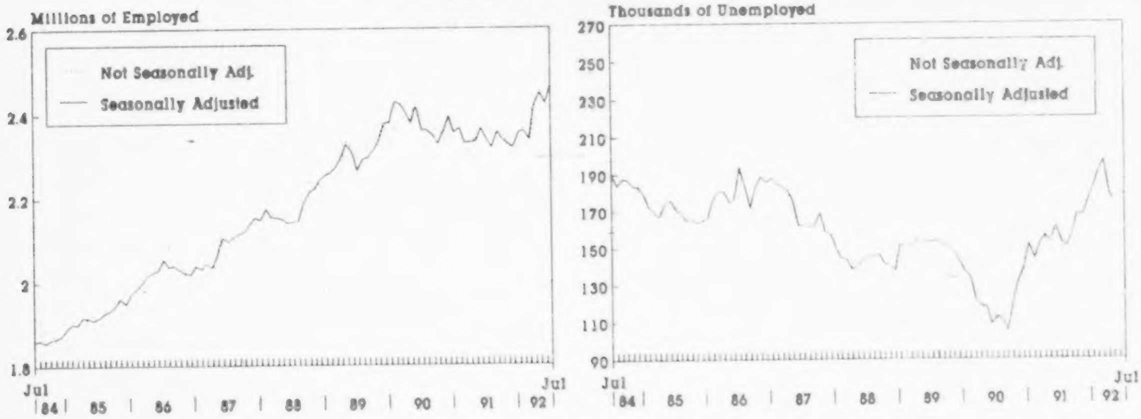
Over-The-Year Change Stays Positive

Washington's total nonfarm wage and salary employment level stood 5,500 workers higher than a year ago in July. This is not an extraordinary margin. But a margin, nonetheless. Moreover, it continues to reflect sizable offset taking place both in terms of industries and areas of the state at a time when the major metropolitan area, Seattle-Everett, is no longer acting as an engine of growth. The overall economy has admittedly slowed since the first three months of the year. However, there still exists a measure of strength in nondurable manufacturing and many of the services-producing sectors of the economy.

The biggest job growth over the past twelve months has come principally in services (+12,900) and government

(+3,400). These sectors tend to be less impacted by cyclical changes in the economy. And both tend to move more or less in concert with the overall growth in population and income. Certain producer services, particularly computer software and data processing in Washington, have a life of their own. Moreover, growth in health care services (+7,100) has continued quite apart from any slowing in the general economy.

Washington State Total Resident Employment and Unemployment
July 1984 - July 1992



Source: Employment Security Department

AREA TRENDS

Steering A Steady Course

Little change in the unemployment rate was echoed throughout most areas of the state in July with the exception of the agricultural economies of eastern Washington. Timing between crops boosted unemployment into double-digits in such areas as the Yakima MSA, Adams and Columbia counties, and the Franklin County portion of the Tri-Cities. At the same time, the usual summertime boost of economic activity pulled down overall joblessness in many urban metropolitan areas including Bellingham, Vancouver, and Spokane. Unemployment in the Seattle PMSA dropped fractionally in July from 5.7 percent to 5.5 percent.

Economic performance by area diverged in 1992 and comparisons of county unemployment rates with a year before are beginning to bear this out. As an example, various farm-based economies are posting lower than year ago unemployment as the farm sector, by and large, continues to prosper. On the other hand, many of the timber-based areas of the state are hurting. Seattle-Everett's economy has turned flat. Meanwhile, job growth has quickened in such areas as the Tri-Cities, Vancouver, and Yakima, and continues relatively strong in Spokane and Olympia. Both the Tri-Cities and Spokane posted unemployment rates lower than a year ago in July.

Unemployment Rates by Geographic Areas
State of Washington

Areas	July 1992	June 1992	July 1991
Washington State Total	6.5%	6.5%	6.1%
Metropolitan Areas	6.2%	6.2%	5.7%
Log & Lumber Areas	9.0%	9.1%	8.4%
All Western WA Areas	6.1%	6.3%	5.6%
All Eastern WA Areas	7.8%	7.0%	7.8%

Source: Employment Security Department

INDUSTRY NOTES

Boeing Cuts Output Of A Second Jet

Slowing aircraft orders prompted Boeing to schedule a cut in production of the mid-sized 757 from 8.5 to 7 planes a month effective in September of next year. The reduction follows an similar announced cut on the 737 from 21 to 14 planes a month beginning this October. Some of the current layoffs relate to adjusted scheduling on the 737. Output of other aircraft is expected to remain unchanged through 1993: five 767s and five 747s a month. Rollout of the first 777 widebody is scheduled for 1993 with deliveries to the airlines starting in 1995.

Biotech Becomes A Bigger Player

The latest status report on the state's biotechnology industry shows strong growth continuing over the past year. According to the Biotechnology Advisory Committee to the Department of Trade and Economic Development, employment in what constitutes biotechnology in Washington State jumped 14 percent in 1991 to 4,250 workers at 48 establishments. A further 17 percent job increase is forecast for

1992. Immunex Corporation, the state's largest for-profit biotech firm, and the Fred Hutchinson Cancer Research Center, the biggest nonprofit biotech research organization, accounted for much of 1991's overall job growth.

Housing Ignites Across The State

Three of Washington's major metropolitan areas ranked among the nation's top five housing markets in the second quarter, according to the National Association of Realtors. Specifically, the Tri-Cities led the nation with a 22 percent increase over the year in the median price of homes from $68,600 to $83,500. Second ranked was Spokane, with a 20 percent hike from $63,300 to $75,800. And Tacoma was fourth, up 15 percent in twelve months to $108,000. Prices in Seattle were flat, inching forward at 1.5 percent to $145,000. Lower interest rates have brought housing increasingly within reach of more and more families over the past year, and housing sales in Puget Sound area were up 60 percent from a year before in July.

NATIONAL INDICATORS

Nothing To Shout About

Real Gross Domestic Product for the second quarter was revised upward by a smidgen to 1.5 percent - nothing to break out the champagne for. This left the sharp deceleration from 2.9 percent in the first quarter basically intact and changed little by way of analysts' reading on the economy. Corporate profits grew only 1.3 percent over the period after posting a strong 10.8 percent rise in the first three months. And most of that change came about from cost-cutting rather than any increase in demand. Productivity heightened at a 2.3 percent annual rate in the second quarter while unit labor costs, held down by the weak economy, inched up only 0.3 percent - the smallest in 17 years.

Industrial Production Does A Little Zigzag

Meanwhile, the nation's industrial output recouped some footing in July. Output of the nation's mills, mines, and factories rose 0.4 percent in the latest month, wiping out a 0.4

percent decline in June. The upturn was led by a 3.5 percent hike in utility output after declines in each of the previous two months because of unusually cool summer weather. Factory production was little changed. Industry operated at 78.9 percent of rated capacity in July, down from 79.1 percent in May.

Consumers Confidence Hits The Skids

The Conference Board's survey of consumer confidence dropped like a rock in July. The overall index plunged 12 points during the month after making steady gains ever since March. Analysts were surprised by the magnitude of the shift and the implications this negative reading carries for the future. Buying plans for homes and appliances were markedly lower than June. Autos were higher.

Low Interest Rates Can't Go It Alone

Fixed rate mortgages dropped below 8 percent in mid-August for the first time in 20 years. Continued downward pressure on interest rates in the past year have led to a wave of refinancing and some revival in housing. Obviously, any reduction in interest rates opens additional segments of the housing market to potential buyers. However, income growth trailed spending again in July. And caution rather than confidence still permeates much of the economy today.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	July 92 140.5	Jun 92 140.2	July 91 136.2	Jun 92 0.2%	July 91 3.2%
Seattle†	Jan-Jun 1992 137.8	Jul-Dec 1991 135.2	Jan-Jun 1991 133.0	Jul-Dec 1991 1.9%	Jan-Jun 1991 3.6%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Jul 1992 (Prel)	Jun 1992 (Rev)	Jul 1991 (Rev)	Jun 1991 (Rev)	Numeric Change Jun 1992 to Jul 1992	Numeric Change Jul 1991 to Jul 1992
Total Nonagricultural Wage & Salary	2,180.9	2,209.0	2,175.4	2,192.5	-28.1	5.5
Manufacturing	345.2	346.0	353.0	353.1	-0.8	-7.8
Durable Goods	243.9	244.5	253.0	252.6	-0.6	-9.1
Lumber & Wood Products	36.7	36.7	37.6	37.5	0.0	-0.9
Logging	8.7	8.6	9.2	9.1	0.1	-0.5
Sawmills & Plywood	24.6	24.7	24.8	24.8	-0.1	-0.2
Furniture & Fixtures	3.8	3.7	3.8	3.7	0.1	0.0
Stone, Clay & Glass	8.0	7.9	8.0	7.8	0.1	0.0
Primary Metals	11.7	11.8	12.3	12.4	-0.1	-0.6
Aluminum	8.4	8.4	8.7	8.8	0.0	-0.3
Fabricated Metals	11.9	11.9	12.3	12.2	0.0	-0.4
Industrial Machinery & Equipment	19.1	19.0	19.8	19.8	0.1	-0.7
Computer & Office Equipment	6.1	6.1	6.7	6.6	0.0	-0.6
Electronic & Other Electrical Equipment	11.2	11.3	11.2	11.3	-0.1	0.0
Transportation Equipment	121.0	122.0	127.7	127.8	-1.0	-6.7
Aircraft & Parts	109.6	110.5	115.3	115.1	-0.9	-5.7
Instruments & Related	13.4	13.3	13.7	13.6	0.1	-0.3
Miscellaneous Manufacturing	7.1	6.9	6.6	6.5	0.2	0.5
Nondurable Goods[3]	101.3	101.5	100.6	100.5	-0.2	1.3
Food & Kindred Products	37.4	38.3	37.1	37.6	-0.9	0.3
Preserved Fruits & Vegetables	12.6	13.9	12.9	13.7	-1.3	-0.3
Textiles, Apparel & Leather	8.9	8.6	8.1	8.1	0.3	0.8
Paper & Allied Products	18.0	17.8	18.3	18.2	0.2	-0.3
Printing & Publishing	22.4	22.3	22.4	22.5	0.1	0.0
Chemicals & Allied Products[3]	5.6	5.6	5.3	5.3	0.0	0.3
Petroleum, Coal, Plastics	9.0	8.9	8.8	8.8	0.1	0.2
Mining & Quarrying	3.8	3.8	4.0	3.8	0.0	-0.2
Construction	122.5	119.5[2]	124.0	119.0	3.0	-1.5
General Building Contractors	36.5	35.7	36.8	35.5	0.8	-0.3
Heavy Construction, except Buildings	18.5	18.0	18.5	17.5	0.5	0.0
Special Trade Contractors	67.4	65.8	68.7	66.0	1.6	-1.3
Transportation, Communications & Utilities	114.5	113.9	113.9	112.1	0.6	0.6
Transportation	79.5	78.8	78.3	76.9	0.7	1.2
Trucking & Warehousing	31.5	31.1	30.6	29.7	0.4	0.9
Water Transportation	10.6	10.2	10.3	9.7	0.4	0.3
Transportation by Air	16.4	16.2	16.2	16.0	0.2	0.2
Communications	24.5	24.5	25.2	25.0	0.0	-0.7
Electric, Gas & Sanitary Services	10.5	10.6	10.4	10.2	-0.1	0.1
Wholesale & Retail Trade	531.5	530.9	531.8	530.9	0.6	-0.3
Wholesale Trade	129.6	130.8	132.0	130.5	-1.2	-2.4
Retail Trade	401.9	400.1	399.8	400.4	1.8	2.1
General Merchandise	38.2	36.6	38.4	37.6	1.6	-0.2
Food Stores	65.1	64.9	64.1	64.1	0.2	1.0
Eating & Drinking	150.0	149.8	148.2	148.0	0.2	1.8
Finance, Insurance & Real Estate	116.3	115.5	117.9	117.4	0.8	-1.6
Finance	50.8	50.4	51.1	51.0	0.4	-0.3
Services	549.9	551.4	537.0	536.9	-1.5	12.9
Hotels & Lodging	28.2	27.9	28.1	27.7	0.3	0.1
Personal Services	20.6	20.7	20.7	21.6	-0.1	-0.1
Business Services	86.8	87.0	86.7	84.3	-0.2	0.1
Health Services	163.8	162.5	156.7	156.0	1.3	7.1
Educational Services	18.9	22.7	19.0	21.2	-3.8	-0.1
Social Services[3]	40.8	41.6	39.1	39.7	-0.8	1.7
Eng. & Management Services[3]	57.8	57.4	56.3	55.8	0.4	1.5
Government	397.2	428.0	393.8	419.3	-30.8	3.4
Federal	75.4	74.6	74.8	73.8	0.8	0.6
State	106.1	121.3	105.5	120.7	-15.2	0.6
State Education	45.9	61.1	46.5	62.0	-15.2	-0.6
Local	215.7	232.1	213.5	224.8	-16.4	2.2
Local Education	102.1	122.9	105.0	119.9	-20.8	-2.9
Workers in Labor-Management Disputes	0.0	0.1	0.0	0.0	0.0	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

[3] Data not comparable with previous years because of end-of-year industry code changes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

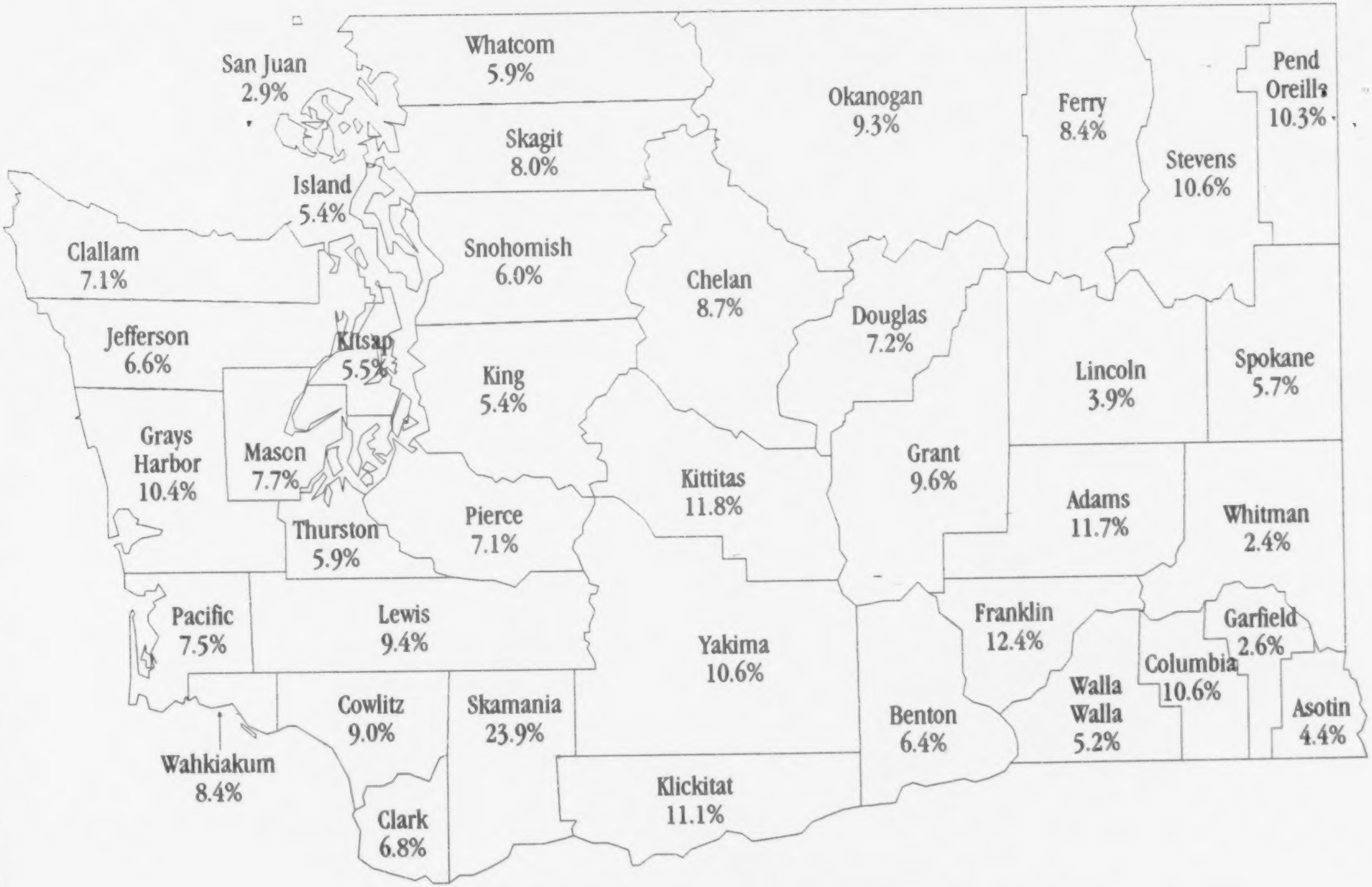
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 9/1/92
Benchmark: 1991

Not Seasonally Adjusted	July 1992 Preliminary†				June 1992 Revised†				July 1991 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,681,400	2,506,800	174,600	6.5	2,627,600	2,457,200	170,400	6.5	2,533,300	2,379,600	153,700	6.1
Bellingham MSA	74,800	70,400	4,400	5.9	73,400	68,600	4,800	6.5	70,400	66,400	4,000	5.7
Bremerton MSA	90,600	85,600	5,000	5.5	88,400	83,500	4,900	5.5	84,200	79,700	4,500	5.3
Olympia MSA	93,100	87,600	5,500	5.9	90,500	85,000	5,500	6.1	85,300	80,500	4,800	5.6
Seattle PMSA	1,170,500	1,105,600	64,900	5.5	1,141,700	1,076,400	65,300	5.7	1,117,200	1,062,500	54,700	4.9
King County ‡	923,500	873,500	50,000	5.4	900,500	850,400	50,100	5.6	881,600	839,500	42,100	4.8
Snohomish County ‡	247,000	232,100	14,900	6.0	241,100	225,900	15,200	6.3	235,600	223,000	12,600	5.3
Spokane MSA	183,500	173,100	10,400	5.7	182,600	171,800	10,800	5.9	171,200	161,200	10,000	5.8
Tacoma PMSA	273,700	254,400	19,300	7.1	265,900	247,400	18,500	7.0	256,500	240,500	16,000	6.2
Tri-Cities MSA	84,500	77,900	6,600	7.8	89,600	84,200	5,400	6.0	78,600	71,400	7,200	9.2
Benton County ‡	65,200	61,000	4,200	6.4	69,900	65,900	4,000	5.7	60,400	55,900	4,500	7.5
Franklin County ‡	19,300	16,900	2,400	12.4	19,700	18,300	1,400	7.1	18,300	15,500	2,800	15.3
Vancouver PMSA	137,600	128,300	9,300	6.8	133,900	124,100	9,800	7.3	127,900	119,200	8,700	6.8
Yakima MSA	113,100	101,100	12,000	10.6	115,900	106,100	9,800	8.5	108,600	98,100	10,500	9.7
Adams	8,270	7,300	970	11.7	8,290	7,610	680	8.2	8,250	7,030	1,220	14.8
Asotin	9,690	9,260	430	4.4	10,070	9,570	500	5.0	9,380	8,990	390	4.2
Clallam	26,730	24,830	1,900	7.1	25,860	23,950	1,910	7.4	25,060	23,210	1,850	7.4
Columbia	1,410	1,260	150	10.6	2,300	2,170	130	5.7	1,400	1,250	150	10.7
Cowlitz	40,230	36,600	3,630	9.0	39,350	35,680	3,670	9.3	39,610	36,520	3,090	7.8
Ferry	3,470	3,180	290	8.4	3,390	3,110	280	8.3	3,280	3,010	270	8.2
Garfield	1,140	1,110	30	2.6	1,120	1,090	30	2.7	1,130	1,100	30	2.7
Grant	32,870	29,700	3,170	9.6	31,850	29,290	2,560	8.0	30,420	27,300	3,120	10.3
Grays Harbor	26,950	24,160	2,790	10.4	26,990	24,150	2,840	10.5	26,260	23,650	2,610	9.9
Island	24,640	23,320	1,320	5.4	23,800	22,440	1,360	5.7	22,800	21,800	1,000	4.4
Jefferson	9,850	9,200	650	6.6	9,600	8,920	680	7.1	9,380	8,920	460	4.9
Kittitas	13,430	11,850	1,580	11.8	13,690	12,110	1,580	11.5	12,090	10,940	1,150	9.5
Klickitat	9,000	8,000	1,000	11.1	8,300	7,430	870	10.5	8,250	7,430	820	9.9
Lewis	27,270	24,720	2,550	9.4	27,000	24,490	2,510	9.3	25,610	23,200	2,410	9.4
Lincoln	4,670	4,490	180	3.9	4,510	4,310	200	4.4	4,710	4,530	180	3.8
Mason	15,670	14,460	1,210	7.7	15,520	14,290	1,230	7.9	14,390	13,220	1,170	8.1
Okanogan	22,340	20,270	2,070	9.3	20,850	19,010	1,840	8.8	20,960	19,110	1,850	8.8
Pacific	9,260	8,570	690	7.5	8,830	8,110	720	8.2	8,080	7,450	630	7.8
Pend Oreille	3,770	3,380	390	10.3	3,740	3,330	410	11.0	3,480	3,080	400	11.5
San Juan	8,550	8,300	250	2.9	7,560	7,280	280	3.7	7,740	7,560	180	2.3
Skagit	46,160	42,470	3,690	8.0	44,040	40,300	3,740	8.5	43,500	40,410	3,090	7.1
Skamania	2,260	1,720	540	23.9	2,270	1,750	520	22.9	2,400	1,990	410	17.1
Stevens	13,500	12,070	1,430	10.6	13,130	11,570	1,560	11.9	12,490	11,340	1,150	9.2
Wahkiakum	1,310	1,200	110	8.4	1,260	1,150	110	8.7	1,260	1,160	100	7.9
Walla Walla	24,410	23,140	1,270	5.2	24,390	23,110	1,280	5.2	23,330	22,080	1,250	5.4
Wenatchee Labor Area	55,660	51,110	4,550	8.2	50,840	47,090	3,750	7.4	50,970	47,110	3,860	7.6
Chelan County ‡	37,100	33,890	3,210	8.7	33,880	31,220	2,660	7.9	34,020	31,230	2,790	8.2
Douglas County ‡	18,570	17,230	1,340	7.2	16,960	15,870	1,090	6.4	16,950	15,880	1,070	6.3
Whitman	17,520	17,100	420	2.4	17,400	16,920	480	2.8	17,120	16,670	450	2.6

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

July 1992 Unemployment Rates
State of Washington = 6.5%



San Juan 2.9%
Whatcom 5.9%
Okanogan 9.3%
Ferry 8.4%
Stevens 10.6%
Pend Oreille 10.3%
Island 5.4%
Skagit 8.0%
Clallam 7.1%
Snohomish 6.0%
Chelan 8.7%
Douglas 7.2%
Lincoln 3.9%
Spokane 5.7%
Jefferson 6.6%
Kitsap 5.5%
King 5.4%
Grays Harbor 10.4%
Mason 7.7%
Kittitas 11.8%
Grant 9.6%
Adams 11.7%
Whitman 2.4%
Thurston 5.9%
Pierce 7.1%
Pacific 7.5%
Lewis 9.4%
Yakima 10.6%
Franklin 12.4%
Garfield 2.6%
Columbia 10.6%
Walla Walla 5.2%
Asotin 4.4%
Benton 6.4%
Cowlitz 9.0%
Skamania 23.9%
Wahkiakum 8.4%
Clark 6.8%
Klickitat 11.1%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary July Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jul 92	Jun 92	Jul 91	Jul 92	Jun 92	Jul 91	Jul 92	Jun 92	Jul 91
Total Manufacturing Industries†	202,975	$545.26	$544.93	$539.59	39.8	40.1	39.3	$13.70	$13.59	$13.73
Selected Manufacturing Industries										
Lumber and Wood Products	30,153	$484.41	$488.22	$474.71	40.2	41.2	38.5	$12.05	$11.85	$12.33
Primary Metal Industries	9,157	$601.64	$599.38	$590.33	42.7	42.6	42.5	$14.09	$14.07	$13.89
Fabricated Metal Products	9,585	$560.78	$525.67	$539.88	39.8	39.2	40.9	$14.09	$13.41	$13.20
Machinery	18,657	$446.16	$436.87	$403.62	39.8	39.5	37.2	$11.21	$11.06	$10.85
Food and Kindred Products	26,349	$408.74	$396.23	$401.72	38.2	37.7	37.3	$10.70	$10.51	$10.77
Chemical and Allied Products	3,077	$643.36	$638.00	$655.94	40.9	39.9	42.9	$15.73	$15.99	$15.29
Transportation Equipment	50,230	$698.94	$715.45	$682.67	40.1	41.0	41.1	$17.43	$17.45	$16.61
Selected Nonmanufacturing Industries										
Construction	93,991	$700.84	$677.47	$716.72	37.7	37.0	38.7	$18.59	$18.31	$18.52
Wholesale and Retail Trade (Includes eating and drinking establishments)	468,885	$298.27	$302.74	$261.36	31.2	31.7	29.7	$9.56	$9.55	$8.80

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official U.S. Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earning data.

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